Alberta Municipal Affairs

2001-2002

Annual Report

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PREFACE

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

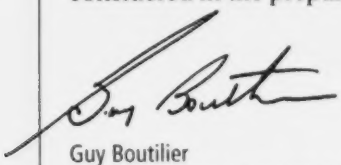
The annual report of the Government of Alberta released June 25, 2002 contains the Minister of Finance's accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Municipal Affairs contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and**
- **financial information relating to the Improvement Districts' Trust Account and the audited financial statements of the Special Areas Trust Account.**

Ministers' Accountability Statement

The Ministry's annual report for the year ended March 31, 2002, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at August 29, 2002 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Guy Boutilier
Minister, Alberta Municipal Affairs

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Message from the Minister

"There is no question that all orders of government must work together to address the 3Rs of roles, responsibilities and resources in the 21st Century to best serve the taxpayer."

I am pleased to present Municipal Affairs' Annual Report for 2001-02.

The tragic events of September 11, 2001 changed the world and the way we see it. They forced us to step back and re-evaluate our priorities—not only as individuals, but as a province and a country. Many changes have occurred as a result of those events and they are evident in the actions of our government—security is tighter and the safety of our families is top of mind.

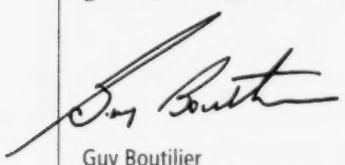
Despite these changes, Alberta's economy remains strong and vibrant, but not untouched. Municipal Affairs continues to support municipalities to find new and better ways to serve Albertans in the most cost-effective manner and to ensure the people of this province are living in safe and sustainable communities.

The 2001-02 fiscal year was a busy time for both Municipal Affairs and Alberta municipalities. From municipal excellence to security management—the province and municipalities worked together to strengthen partnerships and find local solutions to local problems.

There is no question that all orders of government must work together to address the 3Rs of roles, responsibilities and resources in the 21st Century to best serve the taxpayer. The department is focused on improving partnerships between the province and municipalities, so that together, we can provide the most efficient, effective and coordinated service to Albertans.

At Alberta Municipal Affairs we are also continuously looking at ways to improve our safety system so that we can ensure the level of safety Albertans have come to expect. Through new programs and funding initiatives for emergency preparedness, we are more ready than ever to help Albertans and municipalities prepare for and respond to major emergencies and disasters.

Initiatives that blend a seamless and interdependent approach in best serving Albertans are foremost. I believe that no matter what order of government—municipal, provincial or federal—we all serve the same taxpayer. My ministry remains committed to helping municipalities achieve long-term sustainability as an equal, open and critically important order of government in the 21st Century.



Guy Boutilier
Minister, Alberta Municipal Affairs

Management's Responsibility for Reporting

The Ministry of Municipal Affairs includes the Department of Municipal Affairs and the Municipal Government Board, which are included in one financial statement.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Municipal Affairs. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control that give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Municipal Affairs with any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives of the individual entities within the Ministry.

Brad Pickering
Deputy Minister, Alberta Municipal Affairs
August 29, 2002

OVERVIEW

Entity Map

Department of Municipal Affairs Functional Organization as at March 31, 2002

Email: comments@ma.gov.ab.ca
Web site: www.gov.ab.ca/ma

Operations and Services

The Ministry of Municipal Affairs includes the Department of Municipal Affairs and the Municipal Government Board.

Department of Municipal Affairs

The Department of Municipal Affairs has two main operating divisions: Local Government Services and Public Safety.

Local Government Services

Support and advice leading to effective local government

This division provides support services and advice to municipalities to assist them in developing sustainable and effective local government for Albertans. Services focus on innovation and cooperation, municipal viability, and assessment and tax policy.

There are three branches in this division: Municipal Services, Assessment Services and Divisional Services. The Special Areas Board also reports to the Assistant Deputy Minister of Local Government Services.

Municipal Services

This branch provides the policy, planning, analytical and legislative drafting support necessary to meet the department's responsibilities in the areas of municipal legislation, property taxation, land-use planning, intermunicipal cooperation and municipal status changes.

The branch also provides advisory and financial support to help municipalities operate efficiently. It works with a broad range of stakeholders, including municipalities and their associations, as well as businesses, industry and not-for-profit organizations.

Assessment Services

This branch develops assessment standards and guidelines, and audits municipal assessments to ensure that each municipality prepares its assessment according to provincial legislation. The branch leads the development of assessment and education tax policy for the province. It also prepares the assessment of linear property (e.g. oil and gas wells and pipelines) in Alberta. The branch works in partnership with local governments, assessment professionals, and industry to support strong, vibrant communities and ensure confidence in the property assessment system.

Divisional Services

This unit coordinates division-wide activities including budgeting, conferences, business planning and information technology. It provides information, advice and assistance to the Minister, the department, and outside stakeholders in the form of research, briefings and correspondence.

Special Areas Board

The Special Areas Board provides municipal services and long-term land management for the three special areas located in southeast Alberta. The board is appointed by the Lieutenant Governor in Council.

Public Safety

Safety codes, disaster services and fire protection

This division provides a framework of safety codes and standards to ensure that buildings, facilities and associated equipment are built, operated and maintained safely. It also provides disaster services programs that assist Albertans in preparing for and recovering from disasters and emergency situations. The Public Safety Division includes Safety Services, Disaster Services, the Fire Commissioner's Office, and Policy and Program Development.

Safety Services

This branch administers the *Safety Codes Act*, which establishes codes, standards and administrative processes in nine disciplines: boiler and pressure vessels, building, fire, plumbing, gas, electrical, elevators, amusement rides and passenger ropeways (ski lifts).

It assists municipalities, corporations and other entities that have been delegated authority to administer safety codes and standards. It also monitors and evaluates the performance of these organizations in administering the *Safety Codes Act*. In addition, Safety Services provides technical advice and program support to municipalities, corporations, inspection agencies, the Safety Codes Council, contractors, the public, industry and stakeholders. This branch represents the province and participates in the development of national and international codes and standards.

Disaster Services

This branch develops and carries out a province-wide program that enhances the ability of municipalities and the province to respond effectively to disasters and major emergencies. It also administers the province's disaster recovery programs that provide financial assistance to households, small businesses,

farming operations and municipalities for uninsurable losses resulting from natural disasters. Following the tragic events of September 11, 2001, a new section was added to the branch to ensure that all Alberta government departments have business resumption plans in place by the end of March 2004. Since then, the branch has also been involved in developing a new crisis management plan for responding to potential terrorist activities in the province.

Fire Commissioner's Office

This office provides support and technical advice to fire departments and municipalities on fire protection matters. The Fire Commissioner's Office partners with municipalities and public and private institutions to improve fire protection standards and services. It promotes public education through programs such as *Risk Watch*, which is designed for use in schools. It works in partnership with the Alberta Fire Training School and the Safety Codes Council to provide training and support for firefighters, safety codes officers and municipal officials. It also provides technical information and publications regarding fire prevention and safety. In addition, the Fire Commissioner's Office collects and analyzes fire incident data as the basis for evaluating and maintaining effective program delivery and preparing an annual report on provincial fire losses.

Policy and Program Development

This branch leads the Public Safety Division's processes for policy and program development, program evaluation, environmental scanning and business planning. It conducts research, provides project management support for division initiatives, coordinates division activities, prepares briefings and correspondence, and provides information technology support. In addition, the branch provides input at the national level on policy matters and promotes harmonization and consistency in the administration and management of public safety codes and standards. It was also responsible for the Underground Petroleum Storage Tank Site Remediation Program, which was transferred to the Safety Codes Council on March 28, 2002.

Support Services

Staff from specialized areas including Communications, Financial and Information Technology Services, Legal Services, Business Services, and Human Resource Services support the operating divisions in achieving their business plan goals.

Municipal Government Board

Appeals based on the Municipal Government Act

The Municipal Government Board conducts the independent, quasi-judicial adjudication functions outlined in the *Municipal Government Act* with respect to property assessment appeals, linear property assessment appeals, equalized assessment appeals, subdivision appeals, annexation recommendations, intermunicipal planning disputes, and other matters.

Shared Services

Alberta Municipal Affairs has been an active participant in developing and supporting the Alberta Corporate Service Centre (ACSC). The Ministry purchases all administrative, information technology, financial and human resource processing services from the ACSC.

The Ministry also supports Alberta Government Services by providing strategic services in the areas of administration, human resources, and legal services through a shared services agreement.

Core Businesses

Municipal Affairs supports the following core businesses as indicated in its business plan for 2001-04:

1. **Local Government Services** – providing support services, policies and legislation that enhance the development of a sustainable, accountable, responsive and effective local government sector.

2. **Safety Services and Fire Protection** – administering a safety system that provides uniform application of appropriate safety codes and standards and promotes fire protection throughout the province.

3. **Disaster Services** – managing provincial disaster planning and recovery programs and supporting municipalities to ensure their preparedness to deal with major emergencies and disasters.

Vision

Improved services through sustainable, cooperative local government.

Mission

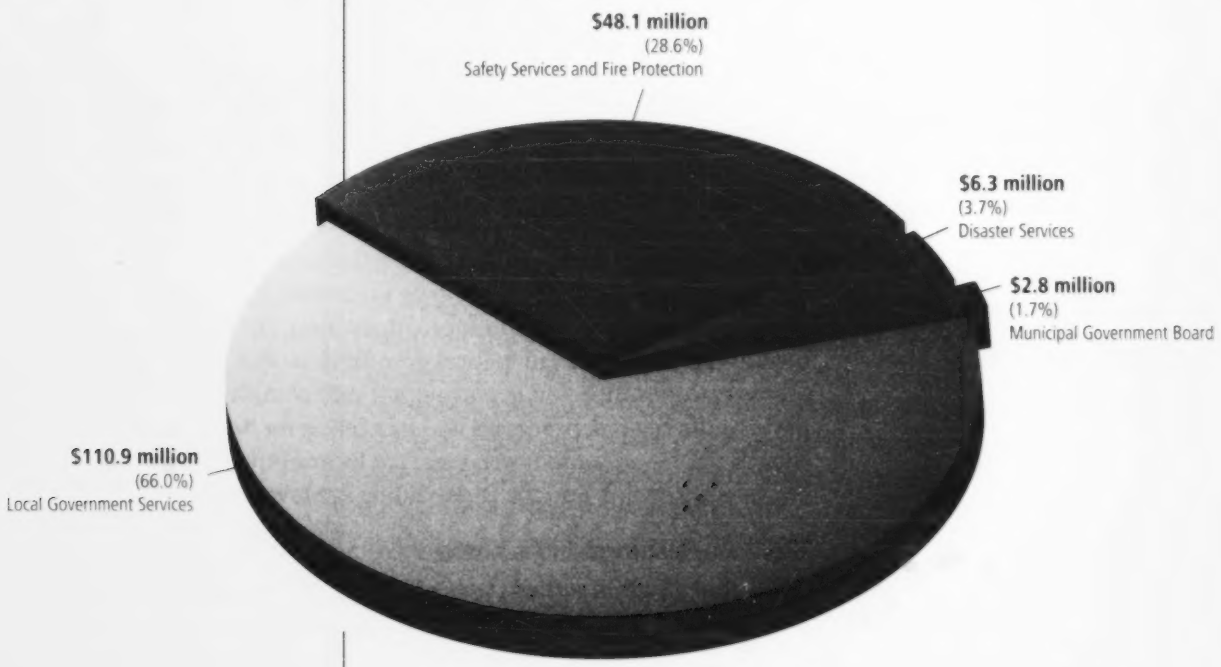
Alberta Municipal Affairs works in partnership with Alberta's municipalities, other government departments, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective and accountable governments.

Expense by Core Business

For the year ended March 31, 2002
(thousands of dollars)

	2002		2001
	Authorized Budget	Actual	Actual (Restated)
Local Government Services	$ 117,363	$ 110,888	$ 124,253
Safety Services and Fire Protection	79,685	48,117	22,303
Disaster Services	3,654	6,285	12,018
Municipal Government Board	2,482	2,843	2,875
	$ 203,184	**$ 168,133**	**$ 161,449**

Expense by Core Business



Analysis of Key Activities

Alberta Municipal Affairs was involved in numerous activities during 2001-02, as demonstrated in the Results Analysis section of this report. The following information outlines the main program initiatives and significant improvements, as well as the major consultations and legislative changes that took place during the year.

Program Initiatives and Significant Improvements

Minister's Provincial/Municipal Council on Roles, Responsibilities, and Resources in the 21st Century

A coordinated provincial government approach towards municipalities

The Minister established this council in November 2001 to identify and address current and future challenges facing provincial and municipal governments. The Minister's council will engage in collaborative problem-solving with the overall objective of developing a stronger working relationship. The first of its kind in the country, the Minister's council had its inaugural meeting in January 2002. In February, it released a discussion paper to provide some broad perspectives on municipal contributions, challenges, and opportunities for the future. The Minister's council is considering the need for urban and rural strategies to add sustainability, predictability, and certainty to the provincial/municipal partnership.

Minister's Awards for Municipal Excellence

Support systems and programs that support excellence in local governance, management, and service delivery

The Minister created an annual program of awards for municipal excellence with the first awards to be presented in the fall of 2002. The awards will recognize and promote innovation, collaboration and outstanding achievement in local government. The Municipal Excellence Advisory Committee and departmental staff completed research to develop the criteria, processes and marketing for the awards. Three awards will be presented each year: the Innovation Award, the Partnership Award, and the Outstanding Achievement Award.

Business Resumption Planning

Timely and effective response to disasters and emergencies

Municipal Affairs assumed the lead on business resumption planning to ensure that all Alberta government departments develop, test and coordinate their business resumption plans. This initiative was undertaken to ensure that service can be restored quickly to Albertans if a disaster or emergency disrupts provincial government business. Once the business resumption plans are developed, support will be provided to all departments to ensure ongoing review, maintenance, training, regular validation and cross-government coordination of the plans. It is anticipated that the business resumption plans will be completed and finalized for 10 government departments by the end of March 2003. The remaining plans will be completed by the end of March 2004.

BUSINESS PLAN KEY RESULTS

Timely and effective response to disasters and emergencies

Crisis Management

Municipal Affairs continued to play a key role in Alberta's Ministerial Task Force on Security, which is currently developing a crisis management strategy to prepare for and respond to potential terrorist activity in the province. The department has taken a lead role in crisis management emergency planning and coordinating these activities for the province. Part of this work involved refocusing the Alberta Emergency Preparedness Partnership on dealing with the threat of terrorism. The partnership includes representatives from municipalities, industry, critical non-government organizations, first responder organizations and essential service providers. Municipal Affairs is now designated as the lead coordinating agency for implementing crisis management strategies in the Alberta government.

A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans

2001 Election and Appointment of Regional Health Authority Members

2002 Premier's Award *of* Excellence

Regional Health Authority (RHA) members govern the delivery of health care services in Alberta's 17 health regions. In 1997, an MLA committee recommended that electors of each health region should elect two-thirds of its health authority's members, while the Minister of Health and Wellness would appoint the remaining one-third. A project team including staff from Health and Wellness (which has responsibility for the health system in Alberta), Municipal Affairs (which has responsibility for the *Local Authorities Election Act* that governs local elections in Alberta) and Justice (which provides general legal and legislative drafting services for the Alberta government) was established to develop and implement the appointment and first-ever election of RHA board members. The project team prepared election and appointment legislation, regulations, policies, and electoral districts for approval; prepared and negotiated agreements with election partners (primarily municipalities) for the conduct of the election; trained and supported regional health authorities; and supported election partners in the election process. In October 2001, 118 RHA members were elected and eight seats were acclaimed for a total of 126 seats. There were no court challenges to the results or the process. This project won a silver Premier's Award of Excellence for 2002.

Formation of the Specialized Municipality of Jasper

After many years of consideration, Parks Canada, the provincial government, and the residents of Jasper agreed to form a specialized municipality for the Jasper Improvement District. The new municipality has all the powers of local government except for planning authority, which remains with the federal government.

BUSINESS PLAN KEY RESULTS

Support systems and programs that support excellence in local governance, management, and service delivery

Alberta Capital Region Governance Review

The final report of the Alberta Capital Region Governance Review was released to municipalities and the public in April 2001 for comments. The report contained seven key recommendations as a framework for the participating municipalities to continue the work of the review. The Minister provided more than $257,000 to the Alberta Capital Region Alliance (ACRA) in support of its activities consistent with the review. In February 2002, the Minister endorsed the final report and called on ACRA to provide him with a plan for furthering regional initiatives in the capital region.

Regional Partnerships Initiative

This initiative encourages three or more municipalities to jointly explore and implement regional identities and arrangements that work for them. Its goal is to achieve regional partnerships that benefit residents, businesses, and industry, while improving service efficiencies and increasing competitive advantages. In the past year, the initiative grew from five to 16 regional partnerships involving 146 municipalities throughout the province. In 2001-02, the Minister approved approximately $1.4 million in grants to qualifying municipal partnerships.

Resolution of local and intermunicipal governance and management issues through responsive and effective Ministry support

Dispute Resolution

A new initiative called the Local Dispute Resolution Initiative was designed to help municipalities review internal processes for the possibility of using alternative dispute resolution techniques. This initiative helped six municipalities review their business practices with the goal of improving their operations and methods for dealing with residents. Program staff delivered four training sessions to 75 municipal councillors, municipal staff, and others to enhance their awareness of and their ability to use alternative conflict resolution techniques.

The Intermunicipal Dispute Resolution Initiative continued to have a 100 per cent resolution record. In 2001-02, 18 disputes involving 46 municipalities/boards were assisted. The Intermunicipal Dispute Resolution Initiative won a bronze Premier's Award of Excellence for 2002.

2002 Premier's Award *of* Excellence

An equitable and efficient property assessment system in Alberta

Farm Property Assessment

The MLA Farm Property Assessment Review Committee presented its final report and recommendations on farm property assessment issues to the Minister and the Standing Policy Committee on Agriculture and Municipal Affairs in February 2002. The report was approved and released as public information on March 22, 2002. The MLA Committee was directed to present its final recommendations to the public in a series of public information sessions over a period of two months prior to implementing the recommendations.

BUSINESS PLAN KEY RESULTS

Codes and standards are applied uniformly, effectively and efficiently

Electronic Permitting System

An electronic permitting system was developed and is being implemented throughout the province. The system was designed to assist municipalities accredited under the *Safety Codes Act* in managing data for permit applications and approvals, and compliance monitoring. The electronic permitting system is also capable of managing data on development permits, and it links data from recorded development activities with municipal tax assessment.

Appropriate codes and standards

Improved Private Sewage Disposal System Management Initiative

During 2001-02, the department began an initiative to improve management of private sewage disposal systems in the province. Conditional grants were provided to:

- the Alberta Onsite Wastewater Contractors' Association to develop and implement improved certification and training standards for private sewage installers
- the Alberta Association of Municipal Districts and Counties to work with municipalities in developing improved land-use and development management tools for the local management of private sewage disposal systems
- and the Safety Codes Council to develop and implement an electronic permitting system to assist in monitoring activities related to private sewage disposal systems

Timely and effective response to disasters and emergencies

Disaster Recovery Programs

The wildfire season of 2001 was the worst in recent history. A total of $356,000 was approved under a disaster recovery program for nine rural municipalities for their emergency operations costs. This includes costs associated with the evacuation of residences and municipal infrastructure repairs such as road work.

Extraordinary rainfall in July 2001 also resulted in overland flooding in north central Alberta. A disaster recovery program was approved to assist Albertans with uninsurable losses. Approximately $545,000 is being paid on 247 eligible claims.

Financial support that enhances local government financial capability

Municipal Sponsorship Program

The Municipal Sponsorship Program promotes innovation, cooperation and excellence in municipal practices by funding projects that improve municipal governance or administration, enhance municipal services or service delivery, and/or increase intermunicipal cooperation. In 2001-02, this program provided $12.8 million for projects in 278 municipalities. This included nearly $1.4 million in bonus funding for 60 projects that involved intermunicipal cooperation.

Funding of an additional $444,000 was also provided to 225 municipalities for training members of the fire service. In addition, 42 municipalities received $350,300 to provide 1,209 municipal staff with disaster services training. Another 22 municipalities received $128,800 to provide search and rescue training for 1,373 volunteers.

Municipal Government Board

The Municipal Government Board handled over 16,000 appeals in 2001. This is nearly double the volume handled in 1998. Linear property assessment complaints and property assessment appeals account for the majority of the board's cases.

Municipal Government Board Caseload

	1998	1999	2000	2001
Property Assessment	1,720	8,130	6,553	4,666
Linear Assessment	6,787	11,885	9,221	11,480
Equalized Assessment	6	3	2	2
Subdivision	31	27	35	36
Annexations	10	20	10	20
Disputes	3	2	2	0
Re-hearings/Reviews	16	14	17	12
Number of Written Decisions	304	250	272	281
Number of Hearings	524	883	1,035	1,147

Source: Municipal Government Board

Cross-Ministry Initiatives

Alberta Municipal Affairs supports the government's four cross-ministry priority policy initiatives.

Economic Development Strategy

Municipal Affairs participated on a regional economic development subcommittee and continued to emphasize the importance of encouraging municipalities, as well as other public and private stakeholders, to explore and implement opportunities for new regional partnerships. Approximately $1 million in funding was provided to assist new regional partnerships in pursuing their shared goals.

Aboriginal Policy Initiative

Municipal Affairs continued its participation on the Aboriginal Policy Initiative Committee. The department provided monitoring and mentoring services to Metis settlements to assist them in administering the *Safety Codes Act*. In addition, Alberta Municipal Affairs provided advisory, support and disaster response planning services to First Nations communities and helped 46 of these communities establish emergency operations plans.

Alberta Corporate Service Centre Initiative

The Ministry continued to be an active participant on the Senior Financial Officers Council, Administrative Services Council, Human Resource Directors Council and the Chief Information Officer Council. Through these councils, the Ministry provided leadership and direction on developing ministry service level agreements and the ongoing implementation of the Alberta Corporate Service Centre.

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Corporate Human Resource Development Strategy

Municipal Affairs maintains its focus on the corporate human resource plan by implementing strategies to develop an Alberta public service respected for its attitudes, knowledge and skills, its effective management of public policy, and its dedication to achieving quality, affordable service for Albertans. The department's annual employee core measures survey results indicate it is successfully following the strategy. Municipal Affairs continues to encourage staff development and succession planning. It has also enhanced its service recognition and orientation programs.

Major Consultations

Municipal Affairs supports consultation and direct involvement with other ministries and key partners. Some processes that demonstrate the department's commitment to consultation include:

A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans

Municipal Government Amendment Act, 2002

A consultation document on proposed amendments to the *Municipal Government Act* was distributed to about 1,200 stakeholders, including all municipalities, the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, assessors, and affected provincial departments. Proposed amendments included improvements to the equalized assessment process and provisions for a standard of good faith to extend liability protection for municipal officials, municipal employees and volunteers, and municipal boxing and wrestling commissions. The proposed changes were included in Bill 23, the *Municipal Government Amendment Act, 2002*, which received third reading and royal assent in the spring of 2002.

Timely and effective response to disasters and emergencies

Business Resumption Planning Initiative

The new Business Resumption Planning Section in Disaster Services conducted extensive consultations with other government departments to assist them in preparing and validating their business resumption plans.

Crisis Management

The Ministry consulted extensively with Alberta's Solicitor General's Department in developing crisis management strategies for the province. It also worked closely with Alberta Energy in developing strategies for protecting Alberta's energy sector. Extensive consultation also took place on protecting the province's water supply systems.

Disaster Services Act

An extensive review of the *Disaster Services Act* and the Government Emergency Planning Regulation, in light of the events of September 11, 2001, resulted in the submission of recommendations for amendments as part of the *Security Management Statutes Amendment Act*, 2002, which was introduced in the legislature's 2002 spring session.

BUSINESS PLAN KEY RESULTS

Appropriate codes and standards

Objective-based Codes

Municipal Affairs conducted and completed a public consultation on objective-based codes and submitted the findings to the National Research Council as part of the national/inter-provincial initiative to develop model objective-based codes. This is part of our ongoing participation with national, territorial and provincial code development committees. Objective-based codes will clarify the scope and intent of Alberta's safety codes, while making it easier for regulatory officials to determine if new technologies and designs meet requirements.

Secondary Suite Consultation

Municipal Affairs initiated a public consultation on proposed standards for the construction or renovation of secondary suites in single-family dwellings. The objective of this consultation is to address safety, health and maintenance concerns for this type of accommodation in Alberta.

Codes and standards are applied uniformly, effectively and efficiently

Safety System Review

In partnership with the Safety Codes Council, the Ministry completed a stakeholder review of the province's safety system under the *Safety Codes Act* to ensure that the system continues to provide a high level of public safety. Stakeholders indicated strong support for the existing system and provided some recommendations for further improvement. The report is scheduled for presentation to the government's Standing Policy Committee on Agriculture and Municipal Affairs in the summer of 2002.

Tobacco Reduction Strategy

Ministry staff participated on the working committee and steering committee to prepare and implement a tobacco reduction strategy, because municipalities are authorized under the *Municipal Government Act* to pass bylaws governing where smoking is allowed. Other committee members included representatives from Alberta Justice, Alberta Health and Wellness, Alberta Revenue, Alberta Gaming, and the Alberta Alcohol and Drug Abuse Commission.

Legislative and Policy Changes

A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans

Regulatory Review

The Ministry continued to meet its targets for reviewing regulations under the regulatory review workplan. Eighteen regulations were reviewed and re-enacted in 2001-02:

- Amusement Rides Standards
- Authorized Accredited Agencies Amendment
- Boilers and Pressure Vessels Exemption Amendment Order
- Boilers Delegated Administration
- Design, Construction and Installation of Boilers and Pressure Vessels Amendment
- Elevating Devices Administration
- Equalized Assessment Variance
- Gas Code

Motor Vehicle Propane Conversions Administration
Motor Vehicle Propane Conversions
Municipal Gas Systems Core Market
Municipal Long Term Electricity Agreement
Passenger Ropeways Standards
Release of Information
Subdivision and Development
Subdivision and Development Forms
Transitional
Well Drilling Equipment Tax Rate

The Ministry also consolidated 10 regulations relating to the Special Areas Board into the Special Areas Disposition Regulation.

In addition, the Control of Corporations and the Crowsnest Pass regulations are currently under review by stakeholders. The Sprinkler Exemption Regulation was also repealed by the Miscellaneous Correction and Repeal Regulation.

Key Factors Influencing Performance

Terrorist attacks

Terrorist attacks in the United States on September 11, 2001 made it necessary to coordinate activities with respect to the new risk of terrorism in North America. As a result, Disaster Services, in consultation with other federal and provincial government departments and agencies, developed strategies to deal effectively with these situations when they happen in municipalities. In addition, business resumption and crisis management sections were established in the department to address planning to restore government services in the event of a disaster and protect critical infrastructure.

Lower provincial revenue

Lower than anticipated provincial revenue because of a global economic slowdown, which was accelerated by the tragic events of September 11, 2001, required the Alberta government to make budget adjustments resulting in a $30 million reduction in the Underground Petroleum Storage Tank Site Remediation Program. A further one per cent reduction in the department's overall budget was also required.

Fires and flooding

Wildland fires and overland flooding caused municipalities to incur extraordinary expenditures and resulted in some uninsurable damage for Albertans. Disaster recovery programs were established to provide compensation of almost $2 million to Albertans and municipalities.

Water quality concerns

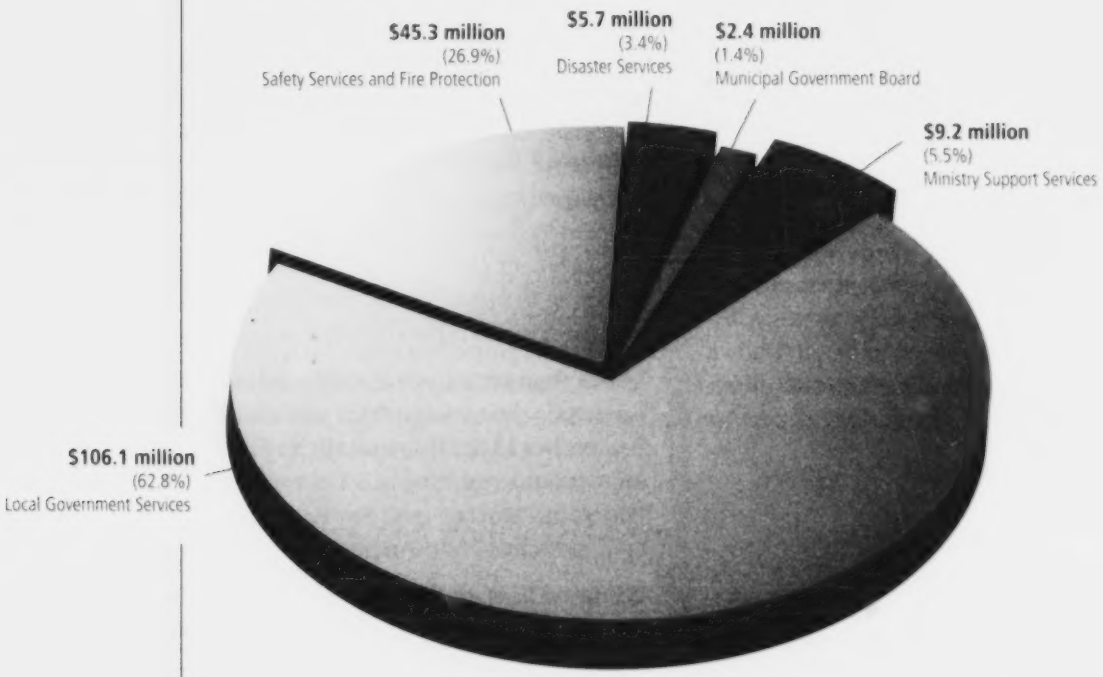
Environmental and water quality concerns highlighted an emerging need to improve the management of private sewage disposal systems to safeguard the health and safety of Albertans. The Private Sewage Disposal Management Initiative was undertaken this year as a proactive step in addressing this issue.

Financial Highlights

For the year ended March 31, 2002
(thousands of dollars)

	2002		2001
	Authorized Budget	Actual	Actual (Restated)
Revenues	$ 14,403	$ 15,155	$ 17,009
Expenses	203,184	168,133	161,449
Net Operating Results	(188,781)	(152,978)	(144,440)
Capital Expenditures	**$ 830**	**$ 2,137**	**$ 1,082**

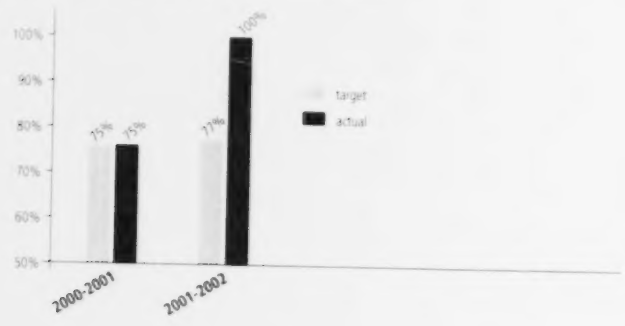
Voted Program Expenses



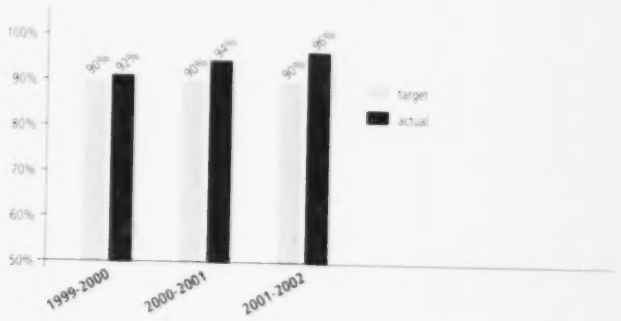
	2002	2001 (restated)
	(thousands of dollars)	
Assets	$ 35,462	$ 36,294
Liabilities	$ 55,330	$ 23,111
Net (Liabilities) Assets	$ (19,868)	$ 13,183

Performance Measures Highlights

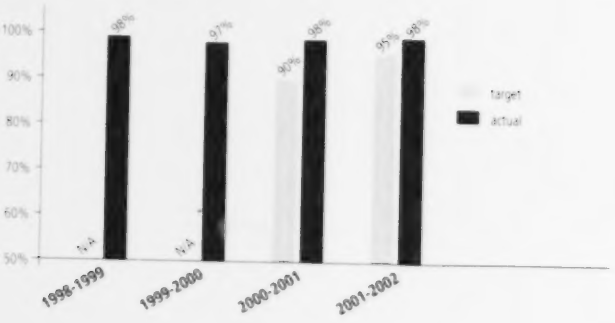
Client satisfaction with Local Government Services



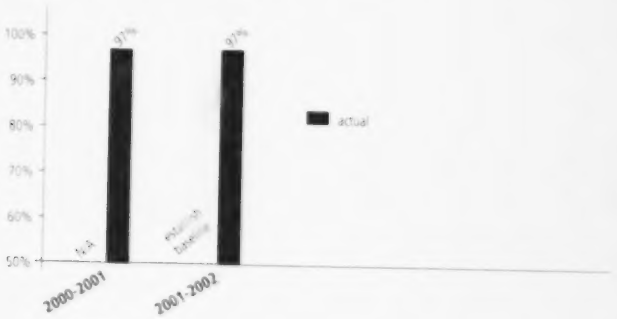
Satisfactory administration of the Safety Codes Act



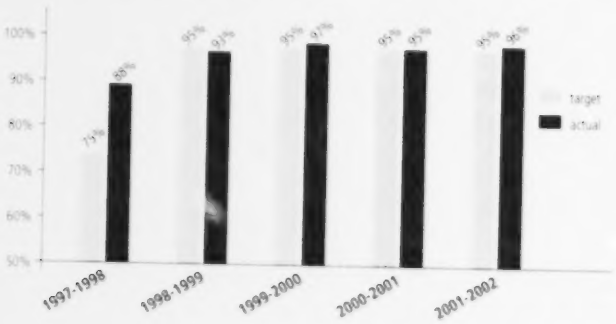
Financially accountable municipalities



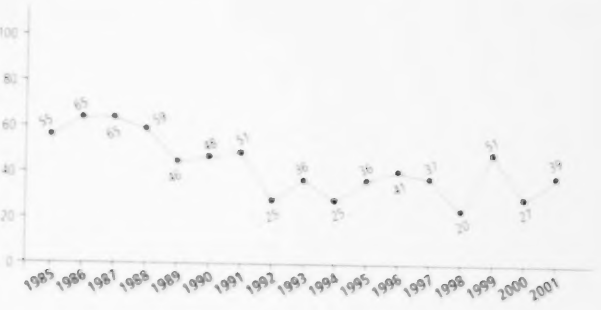
Satisfaction with safety codes program



Assessment rolls meet standards

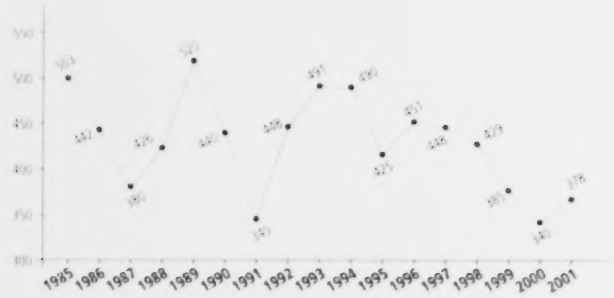


Fire deaths

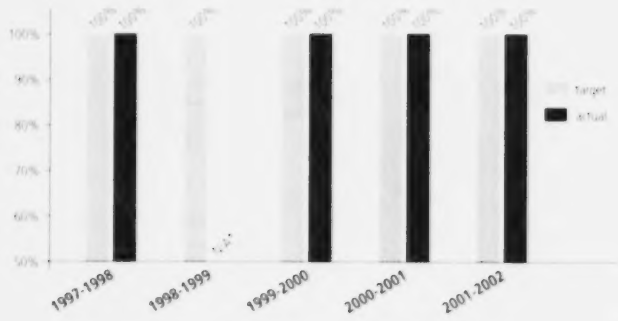


Performance Measures Highlights — Continued

Fire injuries

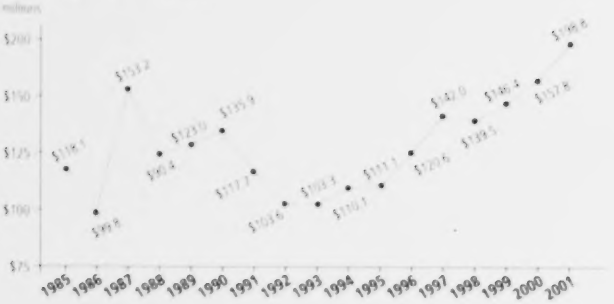


Disaster claims within 30 days

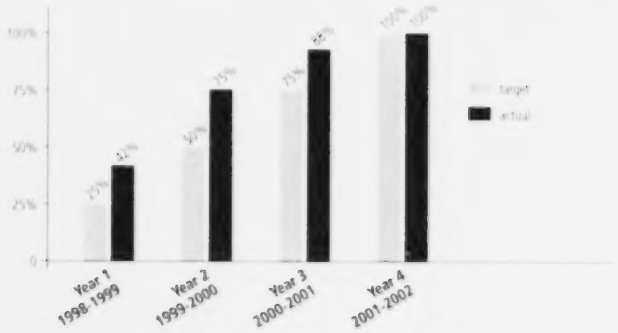


*As there were no disasters warranting a disaster recovery program in 1998-99, there is no data to report on the measure for this year.

$ value of property lost to fire

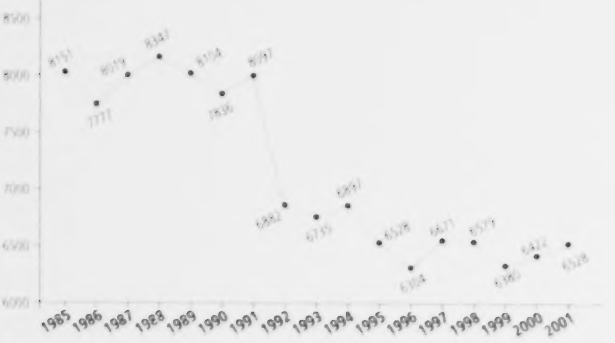


Emergency preparedness testing



Note: Over the four-year testing cycle, all municipalities tested their plans at least once.

Number of fires reported



Source for all graphs:
Alberta Municipal Affairs

RESULTS ANALYSIS

Deputy Minister's Message

"The repercussions of September 11th had a definite impact on our business..."

The tragic events of September 11, 2001 shocked the world, and the repercussions had a definite impact on our business at Alberta Municipal Affairs. As the Ministry responsible for helping Albertans in times of disaster, our staff were quickly called upon to support Alberta's Ministerial Task Force on Security established by the Premier to evaluate the impact of the U.S. events on Alberta.

To illustrate how immediate the effect was on our business, I need only recall September 11th when the entire Disaster Services Branch management team left a department planning session en masse, when the news first broke that morning. Quickly they researched and prepared briefings on the world situation and the implications for Alberta. Then they got involved in planning for protecting our province's water and energy resources. One job led to another, and the work has continued to multiply all year, as the need to plan for and protect Albertans and their families from disaster has taken on even greater importance.

As a result, the Disaster Services Branch has expanded to meet this need. A Business Resumption Planning Section was added to help government departments put plans in place so that service to Albertans will be quickly restored if disaster strikes. A Crisis Management Section was also established to help the government plan for and respond to potential terrorist activity in the province. Meanwhile, the day-to-day work of the Disaster Services Branch, including fire and flood recovery programs as well as training and testing activities, has continued.

At the same time, the rest of the department has been moving forward on other Ministry priorities to ensure Albertans are served by effective local government. Much effort has been focused on the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century. This unique partnership is doing ground-breaking work on the relationship between orders of government.

Partnerships are also a key effort in the department's business with local governments, and significant energy has gone into the Ministry's Regional Partnerships Initiative and supporting the Alberta Capital Region Governance Review. Our goal is to get municipalities working together to create efficiencies and provide better service to their residents.

Partnerships are also critical in our work to maintain Alberta's safety system, which ensures that buildings and equipment are constructed and operated safely. Municipalities, accredited agencies, delegated administrative organizations and the Safety Codes Council all partner with us to ensure that appropriate codes and standards are in place and enforced to protect Albertans. Initiatives like the Electronic Permitting System will make this job easier by increasing the flow of information between all parties and the speed with which it is received.

In addition, excellent work was done to make the first election for regional health authorities a success. And, the Fire Commissioner's Office underwent reorganization to increase its focus on fire service training.

These are just a few of the department's activities in what has been a very busy year. Our Ministry's success is a credit to our dedicated staff and strong management team who are committed to achieving this department's goals and objectives. Our work is ongoing and we look forward to another challenging year.

Brad Pickering
Deputy Minister, Alberta Municipal Affairs

Goals, Results and Measures by Core Business

Core Business 1 – Local Government Services

Goal 1: An effective, responsive, cooperative and well-managed local government sector

Results

A coordinated provincial government approach towards municipalities

- Established the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century and facilitated its work. The purpose of the Minister's council is to provide input to the Minister of Municipal Affairs by reviewing existing relationships between the provincial and municipal governments in Alberta. The Minister's council will make suggestions on how that relationship could be redefined for the 21st century.

Support systems and programs that support excellence in local governance, management, and service delivery

- Consulted with stakeholders to establish the Municipal Excellence Program. Stakeholder committees were formed of municipal councillors and municipal administrators. The committees advised on the program design, processes for collecting and identifying municipal practices, and the processes for marketing the program and its information. Department staff also helped municipalities identify, document and submit council and administrative practices in planning, organizing, implementing and evaluating initiatives. By the end of March 2002, development of the database structure and interactive Internet programs for the Municipal Excellence Program was well underway and other strategies for sharing municipal knowledge had been identified.
- Created an annual program of awards for municipal excellence that will recognize and promote innovation, collaboration and outstanding achievements in local government.
- Implemented a province-wide Regional Partnerships Initiative and allocated $1.4 million to support regional partnerships throughout the province. This funding enables partnerships to explore opportunities for cooperation in a variety of areas including economic development, transportation, and service delivery to citizens and business. Two partnerships that received funding are the Alberta Capital Region Alliance, which includes 22 Edmonton-area municipalities, and the Palliser Economic Partnership, which includes Medicine Hat and its neighbours.
- Initiated a pilot project for a municipal internship program that gives interns an opportunity to work and learn within a municipal government administration. Participation in the one-year program provides interns with professional training and hands-on experience while contributing to an Alberta community. Five municipalities agreed to participate and received grants for the first year of the program. The program will be evaluated and modified in preparation for the second intake of interns expected in 2003.

BUSINESS PLAN KEY RESULTS

Support systems and programs that support excellence in local governance, management, and service delivery

- Partnered with the University of Alberta to develop and deliver training to local election officials. One-on-one phone calls addressed more than 1,000 election-related inquiries. Staff also processed Ministerial Orders under the *Local Authorities Election Act* and the *Municipal Government Act* to address specific issues.
- Facilitated the completion of the Alberta Capital Region Governance Review. As a result, $257,000 in funding was provided under the Regional Partnerships Initiative for the Alberta Capital Region Alliance to proceed with a cluster-based economic analysis and action plan, and an evaluation of regional service sharing arrangements.
- Organized and delivered seminars on councillor roles and responsibilities. By the end of March 2002, 16 seminars had been delivered. More than 90 per cent of those attending indicated they were very or extremely satisfied with the seminar and the staff presenting it.

Resolution of local and intermunicipal governance and management issues through responsive and effective Ministry support

- Considered the Town of Peace River's request for dissolution. After an analysis of the finances of the local governments in the area, the Minister decided not to approve the town's request to dissolve. The town and the three adjacent municipalities were asked to re-enter a mediation process to find a new agreement on sharing costs and services. The mediation was successful and the municipalities negotiated an agreement.
- Implemented the Local Dispute Resolution Initiative, a program designed to assist municipalities to review internal processes for the possibility of using alternative dispute resolution techniques. The department helped six municipalities review their business practices with the goal of improving their operations and methods for dealing with residents. Meanwhile the ongoing Intermunicipal Dispute Resolution Program continued to be a success. In 2001-02, 18 disputes involving 46 municipalities/boards were assisted, maintaining the initiative's 100 per cent resolution record.

2002 Premier's Award *of* Excellence

Support systems and programs that support excellence in local governance, management, and service delivery

- Delivered a land-use planning advisory service and administered the Edmonton and Calgary International Airport Vicinity Protection Area Regulations.
- Addressed emerging issues related to Aboriginal/municipal relations such as the creation of new reserves, First Nations casinos, First Nations economic development, residential developments, and taxation issues relating to First Nations members, both on and off reserves.
- Monitored developments regarding municipal climate change initiatives.
- Continued work on the Title Mapping Project and the Municipal Infrastructure Management System to help municipalities with their mapping and infrastructure management needs.

A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans

- Amended the *Municipal Government Act* to improve the equalized assessment process and provide a standard of good faith for protection from liability for municipal officials, municipal employees and volunteers, and municipal boxing and wrestling commissions. The amendments also supported the development of the Assessment Shared Services Environment (ASSET), which is an Internet-based system to help municipalities share and manage assessment-related data.

2002 Premier's Award *of* Excellence

- Helped organize the first-ever election of regional health authority members. Department staff prepared election and appointment legislation, regulations, policies, and electoral districts; prepared and negotiated agreements with election partners (primarily municipalities) for conducting the election; trained and supported regional health authorities; and supported partners in the election process. In October 2001, 118 members of regional health authorities were elected and eight were acclaimed for a total of 126.
- Established five new regional services commissions, mainly to provide waste management services.

Performance Measure

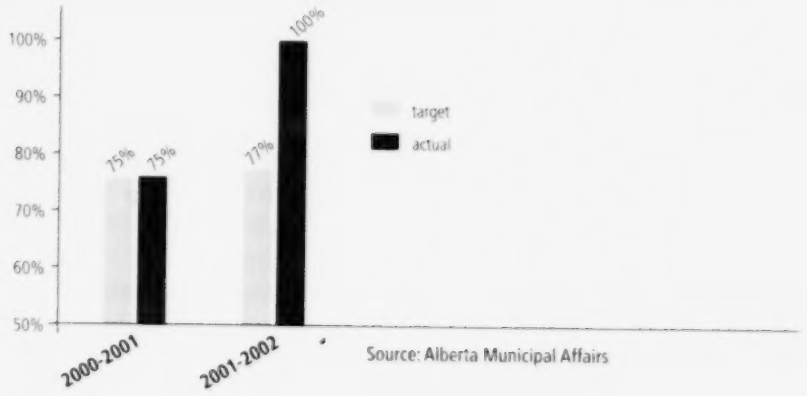
Measure: Level of satisfaction with the Local Government Services Division's activities, services, programs, and legislative framework in enabling and promoting a cooperative and well-managed local government sector

Target: 77 per cent of the work units will meet their individual performance targets. To meet or exceed the 2001-02 target, seven of the eight units must meet their individual targets.

100% met performance targets

Actual Result: 100 per cent of the work units met their individual performance targets.

Client satisfaction with Local Government Services



Source: Alberta Municipal Affairs

Analysis

All units met their targets. The 2001-02 results were compiled from a comprehensive and specific e-mail and web-based/telephone survey, sampling all stakeholders.

The measure and methodology were changed and a new baseline was established in 2000-01. The 2001-02 survey is a more accurate measure of satisfaction than survey results reported prior to 2000-01.

The results reflect an increase in the level of satisfaction among municipalities with the services provided by the division.

BUSINESS PLAN KEY RESULTS

Goal 2: Financially sustainable and accountable municipalities

Financial support that enhances local government financial capability

Results

- Administered several grant programs for municipalities. The department provided municipalities with:
  - $37.5 million through the Unconditional Municipal Grant Program
  - $26.9 million through the Grants in Place of Taxes Program
  - and $10.3 million through the Municipal Debenture Interest Rebate Program
- Provided $12.8 million to improve municipal government under the Municipal Sponsorship Program, including a 25 per cent bonus for eligible projects involving intermunicipal cooperation. Funding was provided to 278 municipalities for a variety of projects involving computers, recreation, economic development, municipal buildings and other municipal priorities.
- Provided grants of more than $2.8 million to 27 local authorities to help them address various municipal matters including:
  - An additional $1.2 million to the Alberta Urban Municipalities Association (AUMA) and Alberta Association of Municipal Districts and Counties (AAMD&C) for the Title Mapping Project that will link land title information with the provincial base boundary map. When completed, this multi-year initiative will result in a more complete mapping base that municipalities, provincial government departments, and others will be able to use to support their operations
  - An additional $500,000 to the AUMA to further develop the Municipal Infrastructure Management System. The AUMA continues to work with the AAMD&C and municipal administrators on this project, which will help small- to medium-sized municipalities manage their infrastructure better
  - $500,000 to the AAMD&C to review, report, and make recommendations on a number of important intermunicipal issues affecting rural municipalities including cost-sharing of facilities between municipalities
  - $192,000 to the City of Medicine Hat to help it adjust to changes in the classification of electric power generation systems and the assessment standards applied
  - $150,000 to assist five municipalities in providing on-the-job training in local government to municipal interns
  - Almost $245,000 to various other municipal entities to undertake projects relating to municipal matters such as revenue sharing, mediation, and municipal operation and organization

Appropriate Ministry services and systems are in place to support financially sustainable municipalities

- Conducted a number of municipal restructuring studies. The residents of the Village of Plamondon voted to dissolve their municipality and become part of Lakeland County.

98% of municipalities financially accountable

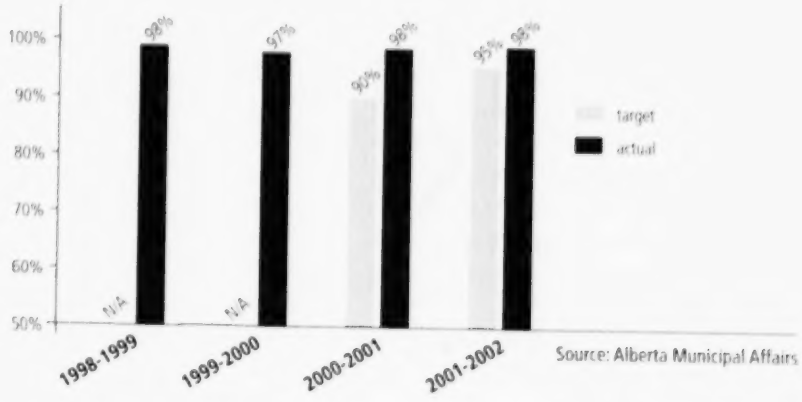
Performance Measure

Measure: Percentage of municipalities meeting Ministry's criteria of financial accountability

Target: 95 per cent

Actual Result: 98 per cent

Financially accountable municipalities



Source: Alberta Municipal Affairs

Analysis

In 2001-02, 98 per cent of Alberta municipalities met the Ministry's criteria for financial accountability. The target was 95 per cent. The result is similar to results of the previous three years and reflects a consistent level of financial accountability by Alberta municipalities.

BUSINESS PLAN KEY RESULTS

Goal 3: A uniform and equitable property assessment system in which stakeholders have confidence

An equitable and efficient property assessment system in Alberta

Results

- Prepared and disseminated the 2001-02 linear assessment by the legislated date of February 28, six weeks earlier than the previous year. The department is continuing to work with stakeholders to improve data sources for the assessment of linear property (e.g. oil and gas wells and pipelines, telecommunication systems, and electric power systems). For the first time, the linear assessment was delivered to municipalities in electronic form and utility companies reported most of their data electronically. Most companies received assessments electronically. Only those with fewer than 30 accounts received assessments in paper format.
- Continued to develop the Assessment Shared Services Environment (ASSET), a computer system that will provide municipalities with secure Internet access to a standardized, province-wide collection of assessment-related data. The project is being developed in partnership with the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties. The system, when developed, will result in several benefits for municipalities, assessors, and the Ministry. For example, the system will make it possible to use current-year assessment data for calculating annual education property tax requisitions starting in 2003.
- The MLA Farm Property Assessment Review Committee submitted its final report to the Standing Policy Committee on Agriculture and Municipal Affairs in February 2002. The report was approved and released to the public. The committee scheduled a number of stakeholder meetings throughout the province to provide an overview of the report and its recommendations before the government implements the proposed changes.
- Conducted annual statistical audits on all municipalities in the province, and performed detailed procedure audits on a five-year cycle. In 2001-02, the Ministry performed detailed audits in five municipalities including the cities of Edmonton and Calgary. These two cities make up just over half of the province's assessment base and about one-third of the parcels of assessable properties.

A legislative framework that enables municipalities to operate successfully and meet the local needs of Albertans

- Participated in the Alberta Seniors Policy Initiative Cross-Ministry Review. The Retirement Income Working Group developed goals and strategies to ensure that current and future seniors can live independently without government assistance. The Alberta Seniors Department is leading this initiative.

An equitable and efficient property assessment system in Alberta

- Continued to assist the MLA Education Property Tax Review Committee in its review of the property tax system in Alberta.
- Verified the assessment levels submitted by each municipality. These assessment levels are used to calculate an equalized assessment for each municipality. The equalized assessment is a measure of a municipality's property wealth in comparison to other Alberta municipalities. These

An equitable and efficient property assessment system in Alberta

equalized assessments are used for several purposes such as determining the amount of some provincial grants to municipalities, calculating provincial requisitions for education funding, and calculating requisitions for intermunicipal cost-sharing programs.

- Held one-day workshops for members and clerks of local assessment review boards and other municipal officials. The Ministry updated its training manual in response to feedback received from participants of the previous year's sessions. By March 31, 2002, the program had been delivered to over 1,000 participants representing most municipalities across Alberta.
- Continued to work on developing new valuation rates and depreciation standards for the assessment of regulated industrial property. Significant effort was also put into developing a new approach to defining industrial property for assessment and taxation purposes. The Construction Cost Reporting Guide was finalized replacing the Special Property Assessment Guide. The new guide was adopted in late 2001 and was included in the Minister's guidelines for the assessment of industrial property.
- Validated assessments of provincially owned property. The purpose of this work is to ensure that Crown property is assessed equitably in comparison to similar properties, so municipalities receive grants in place of taxes on these Crown properties that are based on fair assessments.

Performance Measure

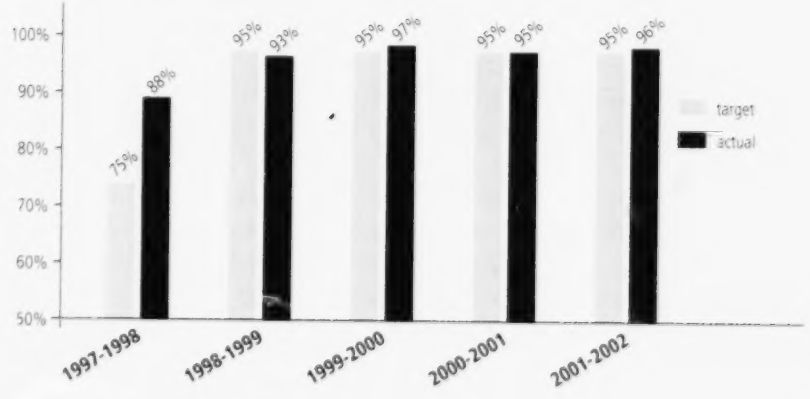
Measure: Percentage of municipal assessment rolls which meet the provincial standards for procedures, uniformity and equity

Target: 95 per cent

Actual Result: 96 per cent

96% of assessment rolls meet provincial standards

Assessment rolls meet standards



Source: Alberta Municipal Affairs

Analysis

In 2001-02, the target of 95 per cent overall compliance was exceeded with a result of 96 per cent. In comparing the result to the four categories that make up the measure, three of the four property categories exceeded the 95 per cent compliance target: Improved Residential 96.93 per cent, Improved Non-residential 98.79 per cent and Vacant Non-residential 96.86 per cent. The category of Vacant Residential, at 92.35 per cent, came close to the target of 95 per cent.

The results show that a vast majority of municipalities are achieving compliance with the *Municipal Government Act* and the quality standards in the Matters Relating to Assessment and Taxation Regulation.

Core Business 2 – Safety Services and Fire Protection

Goal 4: A comprehensive safety system that provides an appropriate level of public safety

Codes and standards are applied uniformly, effectively and efficiently

Results

- Partnered with the Safety Codes Council to develop and implement the Electronic Permitting System with accredited municipalities. 143 accredited municipalities signed on to the system. The Ministry also supported the council in developing system enhancements to include safety codes officer certification, accreditation, and accreditation monitoring functions. Municipal Affairs provided the council with a $185,000 grant for these purposes.
- Completed the Safety System Review, a stakeholder review of the province's safety system under the *Safety Codes Act* to ensure that the system continues to provide a high level of public safety. The review made over 60 recommendations for consideration.
- Concluded the Underground Petroleum Storage Tank Site Remediation Program to improve the environment by removing potential sources of contamination of water, soil and the atmosphere caused by leaking underground petroleum storage tanks. The program was a success with 940 sites (including all high-risk sites) approved for funding before the program was transferred to the Safety Codes Council on March 28, 2002.
- Partnered with the Municipal District of Taber to develop a partnership model for delivering and administering permit and inspection services under the *Safety Codes Act*. The model will assist other municipalities that wish to form partnerships for administering the *Safety Codes Act*.
- Developed and administered monitoring and support programs with specific achievement targets to assist partners involved in administering the *Safety Codes Act*.
- Refined monitoring activities and the accountability framework for delegated administrative organizations administering the *Safety Codes Act* and completed reviewing and re-enacting all regulations for these organizations.
- Assisted the Alberta Boilers Safety Association in eliminating the backlog of overdue inspections. The association successfully met its November 1, 2001 target to eliminate the backlog.

Appropriate codes and standards

- Worked with the Alberta Onsite Wastewater Contractors' Association to improve certification and training standards for installers of private sewage disposal systems in Alberta. Municipal Affairs provided the association with a $627,000 grant for this purpose.
- Continued to work with Alberta Human Resources and Employment to identify regulation overlaps related to health and safety for electrical utility workers.

BUSINESS PLAN KEY RESULTS

- Continued to participate as members of codes and standards policy and technical bodies at all levels. The Ministry's strong partnership with the Safety Codes Council and its nine technical councils continued with a number of consultations regarding the development of codes and standards. Relationships with national and international bodies such as the Canadian Standards Association and the National Research Council were also maintained and continue to be an integral part of keeping Alberta's safety codes and standards at a high level.

Access to quality training for fire departments in a format allowing for maximum participation

- Reorganized the Fire Commissioner's Office with the internal transfer of six staff from Safety Services. As a result, the Fire Commissioner's Office will be focusing more on training for municipal fire departments.
- Coordinated the Municipal Sponsorship Program that provided $444,000 for fire services training. A total of 225 municipalities received grants for training fire services personnel.
- Provided $50,000 to the Alberta Fire Training School to conduct eight training courses for safety codes officers, with the goal of encouraging more Albertans to enter this field that is experiencing a shortage of qualified personnel.

Reduced personal and property loss resulting from preventable fires

- Coordinated several education programs for children, including *Risk Watch*, which has the approval of Alberta Learning for use in Pre-Kindergarten and Kindergarten as well as Grades 5 and 6. The Fire Commissioner's Office and a coalition committee are currently working with Alberta Learning to tailor the program to the learning outcomes of the Alberta curriculum.
- Implemented a new electronic method of reporting fire loss incidents. The new system containing the revised Canadian fire incident coding structure is expected to improve fire reporting in the province and save data entry time for the Fire Commissioner's Office. The Internet-based electronic system will be ready for use by fire departments in July 2002.
- Assisted municipalities in the timely and accurate reporting of fire incidents through training and reviews of quality management plans relating to the fire service. The reporting of fires increases the ability of the Fire Commissioner's Office to offer accurate and meaningful statistics to help municipalities develop fire protection master plans.
- Promoted education programs such as Fire Prevention Week, Burn Awareness Week, and the Summer Fire Safety and Holiday Fire Safety campaigns through partnerships with municipal fire departments, industry, elementary schools and the media. Fire protection publications including *Alberta Fire News*, a newsletter published three times a year, kept the public and stakeholders aware of current fire issues and trends in the province. Fire safety displays for various target audiences were also used by fire departments, schools, the Alberta Teachers' Association, the hospitality industry and others.
- Partnered with corporate sponsors to produce 163,000 children's fire prevention worksheets and distributed them to schools through local fire

departments. Prizes and awards for winning worksheets included becoming fire chief for a day, a trip for four to Disney World in Florida, and other locally determined gifts.

- Initiated a number of changes in the Fire Commissioner's Office to increase its profile and introduce an organizational structure similar to what is used in fire departments.

Performance Measure

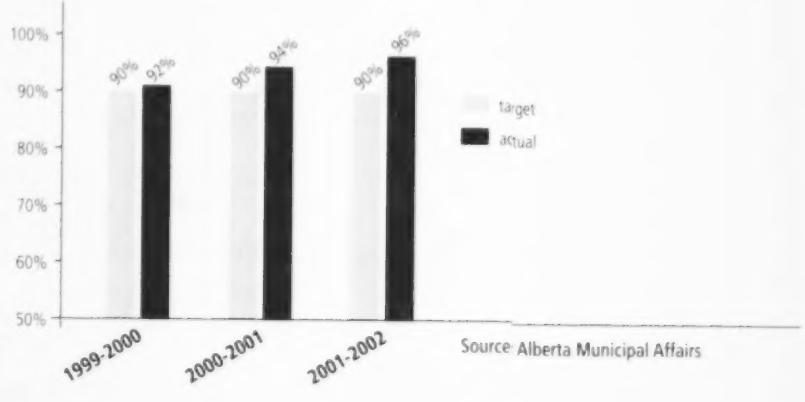
Measure: The percentage of assessed accredited municipalities, corporations, agencies, and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating

Target: 90 per cent

96% satisfactory in administering *Safety Codes Act*

Actual Result: 96 per cent

Satisfactory administration of the Safety Codes Act



Source: Alberta Municipal Affairs

Analysis

Safety Services exceeded its target of 90 per cent in 2001-02 with a result of 96 per cent. This key performance statistic gives an indication of the overall health of the safety system by measuring the degree to which accredited organizations are effective in administering safety programs.

This year's result shows the ongoing effectiveness of the risk-focused monitoring and mentoring programs through which the branch stimulates continuous improvement. The overall performance of each organization type is used to focus improvement efforts on the higher risk issues for the coming year. The performance of individual accredited organizations is used on a routine basis to direct mentoring and other improvement activities throughout the year.

Continued emphasis on contract compliance with accredited agencies and the initiation of the Electronic Permitting System has resulted in some agencies choosing not to renew contracts. However, the emphasis on

contract compliance has also helped new agencies to quickly achieve satisfactory results. The department continues to see steady improvement in the consistency with which accredited municipalities are fulfilling their responsibilities.

During the 2002-03 year, details of the monitoring program will be reviewed in light of the findings of the Safety System Review.

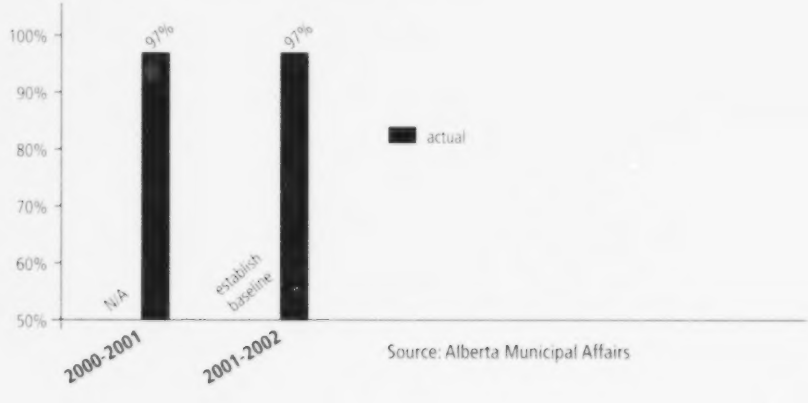
Performance Measure

Measure: The percentage of surveyed clients satisfied with the effectiveness of the safety codes program

Target: Establish baseline

Actual Result: 97 per cent

Satisfaction with safety codes program



Source: Alberta Municipal Affairs

Analysis

There was no substantial difference between the level of satisfaction expressed during the 2000-01 survey and the 2001-02 survey. The survey provides valuable feedback to identify areas that need improvement as well as those items that are working well.

Performance Measures for Fire Commissioner's Office

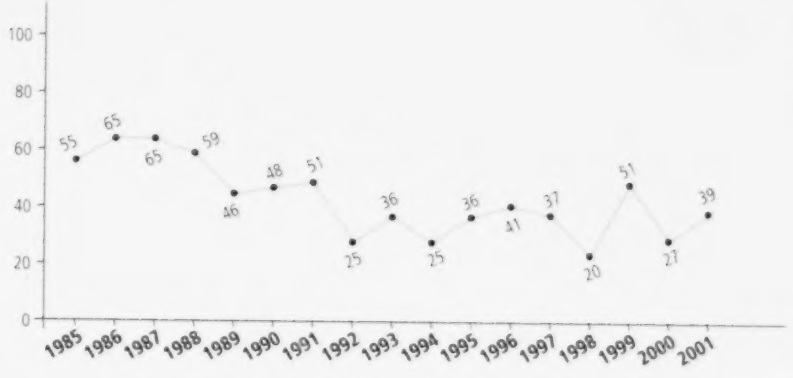
Measure: Reduction in personal and property loss due to preventable fires as demonstrated by the number of fire deaths and deaths involving fires

Target: Maintain or improve on 2000-01 benchmark of 40 fire deaths and deaths involving fires

39 fire deaths

Actual Result: 39 fire deaths and deaths involving fires

Fire deaths



Source: Alberta Municipal Affairs

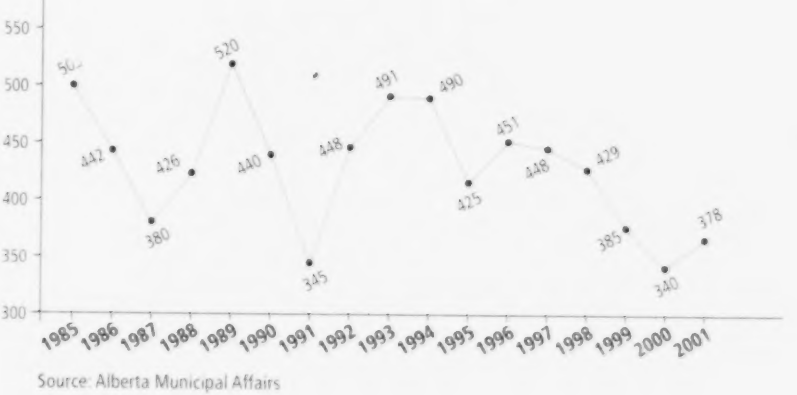
Measure: Reduction in personal and property loss due to preventable fires as demonstrated by the number of fire injuries

Target: Maintain or improve on benchmark of 400 fire injuries

378 fire injuries

Actual Result: 378 fire injuries

Fire injuries



Source: Alberta Municipal Affairs

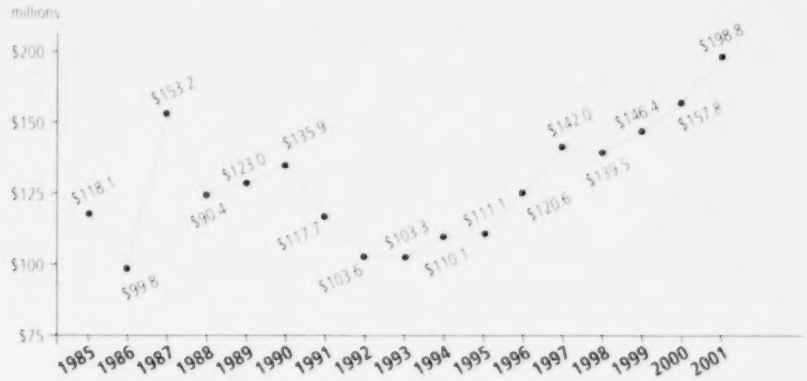
Measure: Reduction in personal and property loss due to preventable fires as demonstrated by the dollar value of fire losses in property

Target: Maintain or improve 2000-01 benchmark of $140 million

$198.8 million in property loss due to fire

Actual Result: $198.8 million

$ value of property lost to fire



Source: Alberta Municipal Affairs

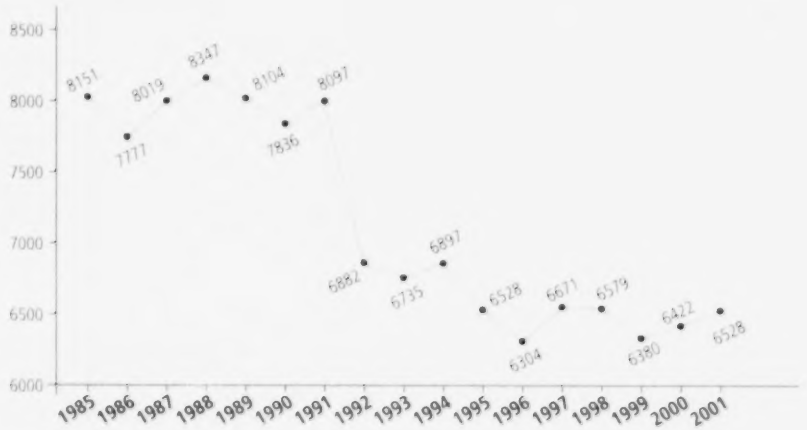
Measure: Reduction in personal and property loss due to preventable fires as demonstrated by the reported number of fires

Target: Maintain or improve on the 2000-01 benchmark of 6,500 reported fires

6,528 fires reported

Actual Result: 6,528 reported fires

Number of fires reported



Source: Alberta Municipal Affairs

Analysis for Fire Commissioner's Office Measures

All of these measures are being discontinued and replaced by a single, new measure: the number of fire deaths per 100,000 population, expressed as a 10-year moving average. This is a better measure because it is based on population and is therefore less variable. Using a 10-year moving average also provides a far better representation of the success of the Fire Commissioner's Office programs. The office will continue to record the number of fire deaths, fire injuries, and fires reported, as well as the dollar value of property lost to fire, because this information is useful for developing targeted public education campaigns.

Core Business 3 – Disaster Services

Goal 5: A disaster services program that enhances and supports local emergency preparedness for major emergencies and disasters

Timely and effective response to disasters and emergencies

Results

- Administered an overland flooding disaster recovery program in north central Alberta to assist with uninsurable losses incurred from floods caused by extraordinary rains in July of 2001. Approximately $545,000 is being paid on 247 eligible claims.
- Administered a wildland fire recovery program in north central Alberta. Nine municipalities incurred significant firefighting and emergency operations costs as a result of several large forest fires during the months of May through July 2001 in the worst fire season in recent history. A total of $356,000 was allocated for these rural municipalities under the 2001 North Central Alberta Forest Fire Disaster Recovery Program for their emergency operations costs. This includes costs associated with evacuating residences and repairing municipal infrastructure damage (e.g. road repairs).
- Led the development of a provincial crisis management strategy in response to the tragic events of September 11, 2001 in the United States.
- Refocused the Alberta Emergency Preparedness Partnership to address concerns about critical infrastructure in Alberta, specifically in areas dealing with energy, the water supply, food, health and livestock, and to facilitate the partnership's assistance in developing the province's crisis management strategy.
- Led the Business Resumption Planning Initiative to ensure all provincial government department business resumption plans are developed, tested and coordinated to work effectively if and when needed.
- Continued to work with municipalities and other partners to develop and test their emergency plans and enhance emergency preparedness.
- Participated in emergency planning for the G8 Summit in Kananaskis scheduled for June 26-27, 2002.
- Prepared for the province-wide expansion of the Emergency Public Warning System, which currently operates in Edmonton and Calgary. Installation in the Red Deer region is scheduled for May 2002 with the remainder of the province slated to be on board by 2004.
- Provided $350,300 under the Municipal Sponsorship Program for delivering disaster services training to 42 municipalities and $428,800 for ground search and rescue training to 29 municipalities.
- Helped Alberta's 46 First Nations communities and eight Metis settlements develop emergency plans and validate, update and exercise those plans. Assistance was also provided to deliver training programs to improve emergency preparedness in these communities.
- Worked with the federal Office of Critical Infrastructure Protection and Emergency Preparedness to review the disaster financial assistance

Timely and effective response to disasters and emergencies

arrangements to achieve consistency in interpretation and delivery across Canada.

- Worked with Sustainable Resource Development to develop a proposed Municipal Wildfire Assistance Program that will address the high cost to municipalities for fighting wildland fires.
- Monitored implementation of the recommendations of the Alberta Energy Utilities Board's Public Safety and Sour Gas Advisory Committee, which evaluated existing sour gas policies, standards and regulations. Eighty-seven detailed recommendations to improve safety were made.
- Continued to work with Alberta Health and Wellness on the Alberta pandemic influenza contingency planning process to ensure provincial preparedness to respond to and recover from an outbreak of pandemic influenza.
- Worked with the Turtle Mountain Monitoring Committee, including representatives from local and provincial government, as well as the University of Calgary, to produce a framework proposal for installing monitoring equipment on the mountain.
- Continued work with Alberta Environment as well as other key department stakeholders to develop a comprehensive flood risk management strategy.
- Maintained the resources and equipment in the Government Emergency Operations Centre so it can be activated on an hour's notice to coordinate responses to emergencies or disasters in the province.

Performance Measure

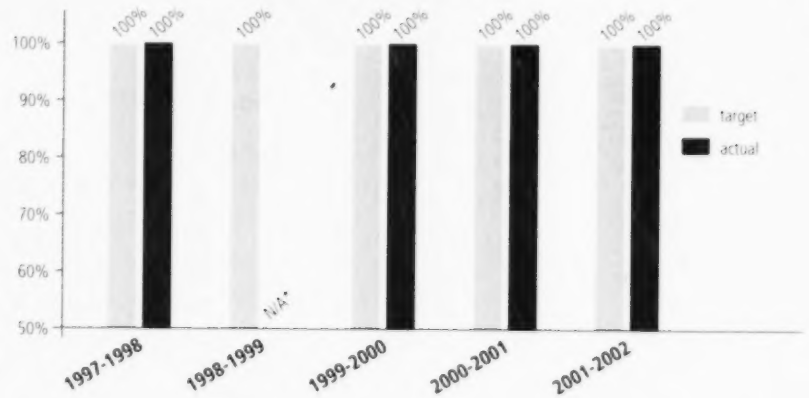
Measure: Achieve a level of 100 per cent of claims where a member of the damage assessment team arrives on-site within 30 days of an eligible claim being received

Target: 100 per cent

Actual Result: 100 per cent

100% disaster claims within 30 days

Disaster claims within 30 days



*As there were no disasters warranting a disaster recovery program in 1998-99, there is no data to report on the measure for this year.

Source: Alberta Municipal Affairs

Analysis

The flood in north central Alberta in July 2001 resulted in a total of 312 claims of which 247 were eligible.

On August 8, 2001, a disaster recovery program was approved in principle, in accordance with the provisions of Section 4 of the Disaster Recovery Regulation. Disaster Services' staff opened registration offices in Leduc, Beaumont, and Edson to take applications from individuals who incurred flood damage. Applications were accepted between August 8, 2001 and March 15, 2002. Twelve evaluators began assessing the applications on August 10, 2001. All eligible applications were reviewed within the required 30 days.

The program included the municipalities of (including villages, towns and cities within their geographical areas): Leduc County, Wetaskiwin County, Parkland County, M.D. of Brazeau, County of Lac Ste. Anne, Yellowhead County, County of Athabasca, M.D. of Greenview, and the Village of Chipman.

This performance measure enables us to determine if we are responding promptly when Albertans have been devastated by a disaster and need help in recovering the loss of essential items.

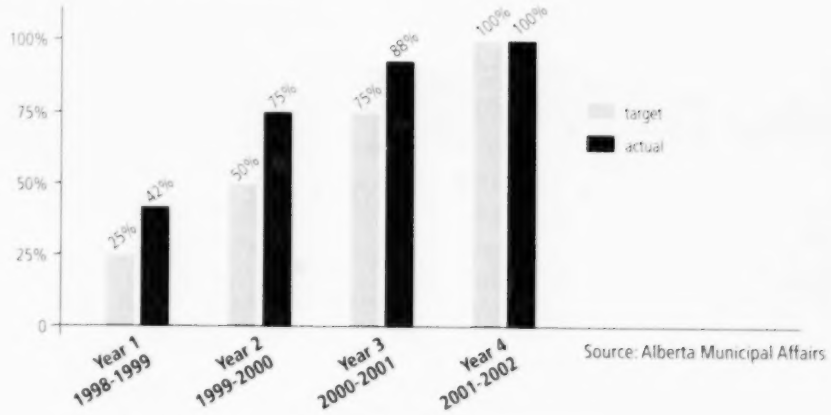
Performance Measure

Measure: Level of preparedness testing as measured by percentage of municipalities, required to have emergency plans under the *Disaster Services Act*, that test their emergency plans through exercises within a four-year cycle

Targets for four-year cycle

Year 1		
1998-1999:	Target – 25 per cent	Actual – 42 per cent
Year 2		
1999-2000:	Target – 50 per cent	Actual – 75 per cent
Year 3		
2000-2001:	Target – 75 per cent	Actual – 88 per cent
Year 4		
2001-2002:	Target – 100 per cent	Actual – 100 per cent

Emergency preparedness testing



Source: Alberta Municipal Affairs

Note: Over the four-year testing cycle, all municipalities tested their plans at least once.

Analysis

This year's results confirm that we have achieved 100 per cent of our goal. Over the four-year cycle, all municipalities tested their plans at least once. The measure has helped us to confirm that we are appropriately working with municipalities to assist them in their emergency planning. While this was likely occurring prior to this four-year cycle, there was no method of confirmation.

Having completed the first four-year cycle, the measure has been re-evaluated. It remains a valuable form of validation of municipal emergency preparedness and will continue to be used over the next four-year cycle.

FINANCIAL RESULTS

2001-02 Actual Compared to 2001-02 Budget

Revenues exceeded budget

Revenues of $15.155 million exceeded the $14.403 million budget by $0.752 million or 5.2 per cent. Prior year expense accruals for disaster claims include estimated costs. In the fiscal year that ended March 31, 2002, the actual costs came in at less than estimated costs. This difference was reported in revenues and thus largely accounts for the budget variance. Government accounting policies and reporting practices require that we recognize such transactions as revenues.

Expenses less than budget

Expenses of $168.133 million came in under the $203.184 million budget by $35.051 million or 17.2 per cent. This $35.051 million budget variance is explained below in terms of the variances related to each core business.

Ministry Support Services incurred expenses of $9.233 million and came in under the $10.067 million budget by $0.834 million or 8.3 per cent. The government's fiscal restraint program contributed to these savings.

Local Government Services incurred expenses of $106.110 million and came in under the $111.827 million budget by $5.717 million or 5.1 per cent. The savings largely resulted from lower than budgeted grants in place of taxes being paid, which was due to lower than expected municipal tax increases and a smaller portfolio of provincially owned properties.

Safety Services and Fire Protection incurred expenses of $45.327 million and came in under the $76.431 million budget by $31.104 million or 40.7 per cent. This is mainly due to a $33.7 million reduction in the Underground Petroleum Storage Tank Site Remediation Program. The following grant initiatives partially offset reductions:

- a $185,000 grant to the Safety Codes Council for enhancements to the Electronic Permitting System that would integrate the Safety Codes Council Accreditation and Certification Program
- a $627,000 grant for the private sewage management initiative
- and $594,000 in grants to municipalities to support municipal fire training initiatives and to the Alberta Fire Training School for the Safety Codes Officer Training Initiative

Disaster Services incurred expenses of $5.682 million and exceeded the $2.940 million budget by $2.742 million or 93.3 per cent. This increase over budget relates to the disaster recovery programs for north central

Alberta announced on June 6, 2001, with respect to the forest fires, and August 8, 2001, with respect to the flooding. Also, $0.517 million was provided to municipalities for emergency response training initiatives.

The Municipal Government Board incurred expenses of $2.354 million and exceeded the $1.919 million budget by $0.435 million or 22.7 per cent. The increase over budget was due in part to the increased volume of appeals, which have been inordinately high since 1999, and the increased complexity of these appeals. Also, funds were required to accommodate increased per diems for board members and provide for a hearing facility in Calgary, since the city's Assessment Review Board facilities were no longer able to accommodate Municipal Government Board hearings.

The valuation adjustments include the provision for bad debts on those accounts receivable where collection is in doubt. Also included is the provision for vacation pay, which reflects the year-over-year change in the Ministry's obligation to its employees for the value of their accumulated vacation entitlements.

2001-02 Actual Compared to 2000-01 Actual

Revenues were lower and expenses were higher

2001-02 revenues of $15.155 million were $1.854 million or 10.9 per cent lower than the 2000-01 revenues of $17.009 million. The 2000-01 transfers from the Government of Canada included $1.7 million for the recovery of eligible disaster claims paid by the Ministry due to the Pine Lake tornado. No claims were eligible for federal cost-sharing in 2001-02.

2001-02 total expenses of $168.133 million were $6.684 million or 4.1 per cent higher than the comparable 2000-01 expenses of $161.449 million. The $6.684 million year-over-year change is explained below in terms of each core business year-over-year change.

2001-02 Ministry Support Services' expenses of $9.233 million were $1.106 million or 10.7 per cent lower than the comparable 2000-01 expenses of $10.339 million. The government's fiscal restraint program contributed to this decrease from 2000-01.

2001-02 Local Government Services' expenses of $106.110 million were $12.348 million or 10.4 per cent lower than the comparable 2000-01 expenses of $118.458 million. This was largely due to the one-time grants in support of local authorities paid in 2000-01.

2001-02 Safety Services and Fire Protection expenses of $45.327 million were $26.435 million higher than the comparable 2000-01 expenses of $18.892 million. This was largely due to the take-up for assistance under the Underground Petroleum Storage Tank Site Remediation Program in 2001-02.

2001-02 Disaster Services' expenses of $5.682 million were $5.583 million or 49.6 per cent lower than the comparable 2000-01 expenses of $11.265 million. This was largely due to the lower claims activity under the 2001-02 disaster recovery programs for the forest fires and flooding in north central Alberta compared to the claims activity under the 2000-01 disaster recovery program for the Pine Lake tornado.

2001-02 Municipal Government Board expenses of $2.354 million were $0.069 million or 3 per cent higher than the comparable 2000-01 expenses of $2.285 million. This was largely due to cost-of-living adjustments, annual pay scale increments, vacation payouts, increased wage costs and increased per diems for board members.

The change in the valuation adjustments from 2000-01 was largely due to vacation entitlements being paid out under salaries, wages and benefits for those staff opting for the voluntary severance package and a change in the methodology used in calculating the vacation entitlements.

Capital Expenditures

At the bottom of schedule 5 to the financial statements, incurred capital expenditures of $2.137 million exceeded the $0.830 million budget by $1.307 million. The requirement for equipment relative to the Emergency Public Warning System and the upgrade of the Ministry's unix server necessitated the over-expenditures in the Ministry's capital budget. Reductions in operating expenses were used to fund these planned capital over-expenditures.

FUTURE CHALLENGES

Sustainable municipal funding

In looking to the future, Municipal Affairs faces three major challenges in serving municipalities and the residents of Alberta. The first of these is the need for long-term, sustainable funding for municipalities. This issue continues to remain in the forefront and is under discussion in a variety of forums: the federal government, private industry, and independent research groups to name a few.

From the Ministry's standpoint, we have established the Minister's Provincial/Municipal Council on Roles, Responsibilities and Resources in the 21st Century. This group holds great promise for coming up with an innovative, made-in-Alberta approach to this growing concern that faces all Canadian provinces.

Disaster planning

Also in our business future is the recognition of the increasing importance of planning for how to respond to all types of disaster, including terrorism. We will be focusing on ensuring that all Alberta government departments have effective business resumption plans in place by March 31, 2004. We know that Albertans expect their government to quickly restore service, regardless of the disruption, and our job is to ensure that all departments are prepared to do this. We will also be working to ensure that Alberta develops strong crisis management strategies to protect our province's resources and infrastructure.

Using innovative technology

Finally, the Ministry will be working hard to take advantage of the government-wide movement to use innovative technology in delivering our services. The introduction of Service Alberta opens up new possibilities, and we will be exploring a number of avenues to help us serve our clients better.

AUDITOR GENERAL
Alberta

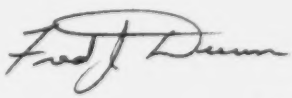
Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Key Performance Measures

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Ministry of Municipal Affairs' key measures included in the *2001-2002 Annual Report of the Ministry of Municipal Affairs* as presented on pages 47 to 62.

1. Information obtained from an independent source was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.
2. The calculations which converted source information into reported measures were tested.
3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit, and therefore I express no opinion on the key measures included in the *2001-2002 Annual Report of the Ministry of Municipal Affairs.*



CA
Auditor General

Edmonton, Alberta
August 2, 2002

SPECIFIED AUDIT PROCEDURES

The following information is a summary of what is provided to the Auditor General's Office on Municipal Affairs' performance measure audits.

Goal 1: An effective, responsive, cooperative and well-managed local government sector

Core business: Local Government Services

Performance Measure

Level of satisfaction with the Local Government Services Division's activities, services, programs, and legislative framework in enabling and promoting a cooperative and well-managed local government sector

Relevance of Measure to Goal

Stakeholder satisfaction rates are a strong indicator of the effectiveness of Municipal Affairs' activities, services, programs and legislative framework. Such activities, services, and programs enable, promote and support an effective, responsive, cooperative and well-managed local government sector.

Targets

2001-2002:	Target – 77 per cent	Actual – 100 per cent
2000-2001:	Target – 75 per cent	Actual – 75 per cent

To meet or exceed the 2001-02 target, seven of the eight units have to meet their individual targets.

Data Source

The stakeholder satisfaction survey data for the measure is drawn from questions of overall satisfaction contained in a Municipal Affairs' satisfaction survey conducted by a private research firm.

The performance measure analyzes attainment of established targets for each of the units of the Municipal Services Branch and the Assessment Services Branch of the Local Government Services Division. Stakeholder satisfaction is compiled for the eight units.

Methodology

A comprehensive and specific e-mail/web-based/telephone survey was administered to all identified stakeholders. The survey measured stakeholder overall satisfaction with each of Local Government Services' units. The questionnaire for each client group was structured to include sections of questions about various types of services relevant to that client group. Stakeholders only provided comment on those units with which they had contact.

The satisfaction scale used is a five-point, anchored satisfaction scale (very dissatisfied, somewhat dissatisfied, neither satisfied nor dissatisfied, somewhat satisfied, and very satisfied). The scale that was used has a neutral midpoint, which can be a legitimate response.

Chief administrative officers (CAOs), chief elected officials (CEOs), municipal assessors, and chief financial officers (CFOs) of municipalities, as well as delegated administrative organizations (DAOs) were surveyed. Their responses were given equal weight in the final calculation of the overall satisfaction for each of the units surveyed. Each survey question result is tabulated by respondent type (e.g. CEO, CAO or assessor). The data is summarized for each question. The un-weighted satisfaction scores of all the questions are tallied against the total number surveyed to determine the overall satisfaction. Any response of somewhat satisfied and very satisfied is counted as a satisfied response for the performance measure.

This year the survey was conducted between August 20, 2001 and September 21, 2001, due to the provincial municipal elections. Had the survey run at calendar year-end, as in the past, it would have meant asking many newly-elected stakeholders to comment without having any experience with Municipal Affairs, thus giving a biased result.

The measure was calculated based on the percentage of the units within Local Government Services that achieved their performance targets. The performance targets for each unit were based on established benchmarks of performance. The performance targets were derived from former measure's surveys, which this measure has replaced. The performance targets used in the calculation of the overall performance are outlined below.

Units within Local Government Services that achieved their performance targets

	Target by Unit	Result Attained	Met Target (Yes/No)
Local Government Issues Unit	80 per cent overall satisfaction	93 per cent	Yes
Legislative Projects Unit	80 per cent overall satisfaction	84 per cent	Yes
Planning and Coordination Unit	80 per cent overall satisfaction	86 per cent	Yes
Grants and Administration Unit	81 per cent overall satisfaction*	94 per cent	Yes
Linear Property Assessment Unit	65 per cent overall satisfaction	65 per cent	Yes
Assessment Audit Unit	65 per cent overall satisfaction	77 per cent	Yes
Assessment and Property Tax Policy Unit	70 per cent overall satisfaction	86 per cent	Yes
Education Tax and Equalized Assessment Unit	74 per cent overall satisfaction	85 per cent	Yes
Percentage of Units Meeting Their Targets	77 per cent of the units meet their targets	100 per cent	Yes

*The Grants and Administration Unit target for 2000-01 was based on the historical survey data available at the time (the participation rate in the Municipal Sponsorship Program) and set at 90 per cent. In 2000-01, the division's satisfaction survey was expanded and a new question introduced for overall satisfaction with the Grants and Administration Unit. Using the new survey question and its 2000-01 results, a target of 81 per cent was set for 2001-02.

The satisfaction scale used is a five-point, anchored satisfaction scale (very dissatisfied, somewhat dissatisfied, neither satisfied nor dissatisfied, somewhat satisfied, and very satisfied). The scale that was used has a neutral midpoint, which can be a legitimate response.

Chief administrative officers (CAOs), chief elected officials (CEOs), municipal assessors, and chief financial officers (CFOs) of municipalities, as well as delegated administrative organizations (DAOs) were surveyed. Their responses were given equal weight in the final calculation of the overall satisfaction for each of the units surveyed. Each survey question result is tabulated by respondent type (e.g. CEO, CAO or assessor). The data is summarized for each question. The un-weighted satisfaction scores of all the questions are tallied against the total number surveyed to determine the overall satisfaction. Any response of somewhat satisfied and very satisfied is counted as a satisfied response for the performance measure.

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Percentage of Units Meeting Their Targets	77 per cent of the units meet their targets	100 per cent	Yes

*The Grants and Administration Unit target for 2000-01 was based on the historical survey data available at the time (the participation rate in the Municipal Sponsorship Program) and set at 90 per cent. In 2000-01, the division's satisfaction survey was expanded and a new question introduced for overall satisfaction with the Grants and Administration Unit. Using the new survey question and its 2000-01 results, a target of 81 per cent was set for 2001-02.

Core business: Local Government Services

Goal 2: Financially sustainable and accountable municipalities

Performance Measure

Percentage of municipalities meeting Ministry's criteria of financial accountability

Relevance of Measure to Goal

The source for the measure is the *Municipal Government Act* (MGA). The MGA does not contain a definition of "financial sustainability and accountability." However, there are legislated limits that, if consistently exceeded, would indicate major financial management stress, if not failure. These key criteria include:

- Section 244: sets a criterion that if the sum of the three previous years operating results place the municipality in a deficit position, that has to be rectified in the fourth year
- Section 252: sets limits on municipal debt in two ways (debt and debt service)
- Section 278: obligates the municipality to submit standardized financial reports and financial statements by defined dates
- Section 282: provides the Minister with powers to appoint an auditor to review the financial affairs of the municipality

Exceeding any one of the limits does not necessarily imply a lack of accountability. However, a pattern of problems with exceeding the limits regularly or not addressing the associated problems proactively may indicate financial or other viability issues.

The measure is calculated based on a demerit point system weighting the criteria. Municipalities exceeding 100 points are considered not to have met the criteria for municipal financial accountability. The scoring system used serves as a proxy measure. Scores of 100 points or more would be a solid indicator of a loss of financial sustainability.

Targets

These results are reported based on a calendar year, which is the fiscal year for municipalities. The results reported are from the calendar year prior to the fiscal year in which they are reported, so for 2001-2002 annual reporting, Municipal Affairs reports on the municipalities' 2000 calendar year.

2001-2002:	Target – 95 per cent	Actual – 98 per cent
2000-2001:	Target – 90 per cent	Actual – 98 per cent
1999-2000:	Target – Historical data	Actual – 97 per cent
1998-1999:	Target – Historical data	Actual – 98 per cent

Data Source

The data used for this measure is drawn from two sources in the department: the Local Government Issues Unit and the Grants and Administration Unit. The information drawn from the Local Government Issues Unit relates to sections 244, 252 and 282. The information drawn from the Grants and Administration Unit relates to section 278. The information is collected for administrative purposes as well as for tabulating this measure.

Methodology

The data is extracted from the Municipal Financial Information System using Access to compile the data in spreadsheet form. Predefined demerit points are assessed for exceeding the limits established for the 16 criteria outlined in the four sections of the Act.

Goal 3: A uniform and equitable property assessment system in which stakeholders have confidence

Core business: Local Government Services

Performance Measure

Percentage of municipal assessment rolls which meet the provincial standards for procedures, uniformity and equity

Relevance of Measure to Goal

This performance measure is a statistical indicator of the overall level of compliance with the quality standards in the Matters Relating to Assessment and Taxation Regulation of the *Municipal Government Act*.

Under the Matters Relating to Assessment and Taxation Regulation, the quality standard specifies that the acceptable range for median assessment ratios is between 0.9 and 1.1.

The department's role is to verify the assessment levels reported by the municipalities and monitor the quality of property assessments carried out by municipalities to ensure that a municipality's assessment is a fair basis for intermunicipal cost-shared programs, such as education. This is important in an environment where the preparation of assessments has been decentralized and is now performed by municipal contractors and employees.

The assessment audit is the method used to monitor assessment uniformity of the system created following the Matters Relating to Assessment and Taxation Regulation. The objective of the annual audit is to verify whether municipal assessments meet regulated quality standards.

The measure captures the percentage of municipal assessment rolls where the assessment value to indicated market value ratios fall within a prescribed range of 0.9 to 1.1.

Targets

2001-2002:	Target – 95 per cent	Actual – 96 per cent
2000-2001:	Target – 95 per cent	Actual – 95 per cent
1999-2000:	Target – 95 per cent	Actual – 97 per cent
1998-1999:	Target – 95 per cent	Actual – 93 per cent
1997-1998:	Target – 75 per cent	Actual – 88 per cent

Data Source

Under the Assessment Audit Program, Municipal Affairs communicates assessment standards, audits municipal assessments to determine compliance with the standards, and verifies the assessment levels used to prepare the equalized assessment.

No later than April 1 of each year, all municipalities are required to supply assessment-to-market ratios and supporting assessment and sales data in a standard format. The Assessment Audit Unit then performs a statistical analysis to determine whether municipal assessments meet the regulated quality standards.

Methodology

Each municipality calculates assessment ratios of assessment value to market value (sale price or indicator of market value) for all properties sold, which fall in any of the four property categories (Improved Residential, Vacant Residential, Improved Non-residential, Vacant Non-residential) as provided in the Assessment Audit 2001 Annual Report.

For each municipality, all the assessment ratios within a sub-group of a property category (Improved Residential, Vacant Residential, Improved Non-residential, Vacant Non-residential) are ranked and the median determined. An overall level of assessment for each category is calculated by weighting each median by its respective total of assessed values for property in that sub-group. This process is part of the annual assessment audit and is also an input into the equalization process.

For all municipalities, the percentage of overall assessment levels falling in the acceptance range of 0.9 and 1.1 is determined for each category. The performance measure is the mean of the four categories' percentages.

Core business: Safety Services and Fire Protection

Goal 4: A comprehensive safety system that provides an appropriate level of public safety

Performance Measure

The percentage of assessed accredited municipalities, corporations, agencies, and delegated administrative organizations administering the *Safety Codes Act* that achieve a satisfactory rating

Relevance of Measure to Goal

Safety Services is developing a partnership of municipalities and organizations trained and accredited to administer the *Safety Codes Act*. This measure promotes continuous improvement in the effectiveness and uniformity of construction permit and safety inspection services delivered under the Act.

The department has developed and implemented quality management plans that specify performance requirements and monitoring procedures to determine compliance with the requirements.

Targets

The Ministry system for monitoring and assessing the administration of the Act by accredited organizations was developed and a baseline was established in 1998-1999.

2001-2002:	Target – 90 per cent	Actual: 96 per cent
2000-2001:	Target – 90 per cent	Actual: 94 per cent
1999-2000:	Target – 90 per cent	Actual: 92 per cent

The target for this measure will increase to 95 per cent in 2002-03.

Data Source

The two Safety Services' Regional Services Managers are responsible for ensuring all organizations are assessed on a revolving basis. A minimum of 80 per cent of accredited municipalities and accredited corporations and 100 per cent of delegated administrative organizations are monitored/assessed annually. 100 per cent of accredited agencies under contract with the department are monitored/assessed quarterly.

All accredited organizations are assessed throughout the year using a standard checklist designed for each type of organization. Checklists are completed manually in the field and entered into an electronic database in the northern and southern offices of Municipal Affairs.

Methodology

Data gathered using the standard checklists is entered into databases for each type of organization.

The performance measure is computed by calculating a score for each completed checklist using the percentage of satisfactory responses to checklist questions. The checklist scores for each accredited organization

are then averaged to produce an overall score for the organization. The percentage of overall scores that meet or exceed the 70 per cent minimum standard are computed for each type of organization. This percentage of satisfactory performance for each type of organization is then weighted according to the number of organizations assessed and combined with that of the other organizations to produce the key performance statistic.

Performance Measure

The percentage of surveyed clients satisfied with the effectiveness of the safety codes program

Relevance of Measure to Goal

The *Safety Codes Act* provides the legislative framework for the safety system in Alberta. Municipalities that choose to become accredited under the Act administer the Act within their jurisdictions. For non-accredited municipalities, the department contracts with accredited agencies to provide permit and inspection services in the building, gas, plumbing, private sewage and electrical disciplines.

This measure was selected to help the department measure satisfaction of services being provided by contracted agencies. It does not include services provided by accredited municipalities, accredited corporations or delegated administrative organizations.

As a result, the survey is a useful indicator for services provided in non-accredited municipalities. However, as it does not reflect province-wide performance of all accredited entities, it has been withdrawn from the 2002-05 business plan.

Targets

Targets have not been established. The 2000-01 survey was conducted to determine if an appropriate indicator could be established using a simple phone survey of the accredited agency's clients. The 2001-02 survey was completed using the same process.

2001-2002:	Target – Establish baseline	Actual – 97 per cent
2000-2001:	Target – N/A	Actual – 97 per cent

The question used for this measure is: "How would you rate the service you received?" The five choices from which the client can choose a response are: excellent, very good, good, fair and poor. The actual result above is the percentage of those surveyed that chose good, very good and excellent.

Data Source

The source of the data is the survey forms completed by department staff used to record the comments of the clients contacted in a telephone satisfaction survey.

Methodology

Each quarter the department conducts file reviews of all agencies under contract to provide permit and inspection services. The fourth quarter results are used to conduct the survey because the period follows the peak construction period, while meeting the reporting needs of the department. In the process of conducting the review, closed files are selected using a random sampling method.

The sampled clients are contacted by phone and asked their opinions related to a number of questions. If unable to contact the owner, staff try to contact the contractor involved in the project. Staff use survey forms to record the clients' comments. Completed forms are sent to the program administrator for tabulation.

Performance Measure

Core business: Safety Services and Fire Protection

Reduction in personal and property loss due to preventable fires as demonstrated by the number of fire deaths and deaths involving fires

Relevance of Measure to Goal

The potential for fire injuries and deaths is one of the important safety issues in maintaining Alberta as a safe place to live and raise families. Protecting people from the number of fire involves three approaches:

- Prevention of fires
- Early detection and warning of fire and smoke with smoke/fire alarms
- Proper emergency responses during fire emergencies

The effectiveness of all three approaches is reflected in not only the number of fires that occur, but also in the resulting consequences in the form of injuries, deaths and property damage. This measure is calculated as the sum of fire deaths and deaths involving fire.

People die in fires due to exposure to the products of combustion such as smoke, flames and heat. Most fire deaths are the result of smoke inhalation. Smoke contains a number of toxic gases such as carbon monoxide and hydrogen cyanide that can incapacitate and kill a person very quickly. Direct exposure to flames causing burn injuries is also a factor in fire fatalities. Super-heated air, when inhaled during a fire emergency, can damage air passages and lung tissue, and it can kill. Other causes of fire deaths include physical injury from building collapse, etcetera. The Fire Statistics Reporting Manual issued by the Fire Commissioner's Office clearly defines fire death (civilian), fire action death (firefighter) and death involving fire.

This measure was used for only the 2001-04 business plan and discontinued for 2002-05. It was decided that fire death rate per 100,000 population (expressed as a 10-year moving average) is a more suitable measure for the business plan. This 10-year moving average is also reported in the *Measuring Up* section of the Alberta government's annual report.

The absolute number of fire deaths and deaths involving fires is not an appropriate way to measure, as it is not expressed on a population basis and does not reflect the direct impact of activities of the Fire Commissioner's Office.

Targets

2001-2002:	Target – Maintain or improve on benchmark of 40 fire deaths and deaths involving fires Actual – 39 fire deaths and deaths involving fires
2000-2001:	Target – Set benchmark

Data Source

The Fire Commissioner's Office has the authority to collect data on fire incidents in the province, as stated under the Administrative Items Regulation of Alberta's *Safety Codes Act.*

All fire-related deaths are required to be reported to the Fire Commissioner's Office. Fire Commissioner's Office data-entry staff verify fire deaths reported with those reported to the Vital Statistics Section of the Alberta government.

The required data is entered into the Fire Statistics Information System at the Fire Commissioner's Office. The number of fire deaths (both civilian and firefighter) and the number of deaths involving fire are summed to calculate the number of fire deaths.

Methodology

Fire incident and casualty data are collected on standard report forms submitted by municipal fire departments that attended fires and police departments. Other sources of data include the Medical Examiner's Office and Vital Statistics.

The fire data received by the Fire Commissioner's Office is entered into the database of the Fire Statistics Information System. The data is checked for accuracy, and used for various types of analysis that drive fire prevention efforts, revisions to fire and building codes, and other fire protection measures in the province. The data is collected on a calendar-year basis and reported in the following year.

The number of fire deaths and deaths involving fire is calculated using Statistical Analysis System software programming. The calculations generate the sum of the deaths in firefighters and civilians (men, women and children) classified as fire deaths and deaths involving fire.

Performance Measure

Core business: Safety Services and Fire Protection

Reduction in personal and property loss due to preventable fires as demonstrated by the number of fire injuries

Relevance of Measure to Goal

People are injured in fires due to various causes such as exposure to the products of combustion such as smoke, flames and heat, and also to physical hazards such as slips, falls and cuts, etcetera. The potential for fire injuries is one of the important safety issues in maintaining Alberta as a safe place to live and raise families. This measure is the number of fire injuries, which is calculated as the sum of fire injuries in civilians (men, women, and children) and firefighters.

The measure provides an indication of the effects of fire prevention, early detection of fires, and fire emergency response activities that can reduce injuries. To get a true measure of the effectiveness of these fire protection systems, data on injury casualties that were averted would be more appropriate. However, such data does not exist.

This measure was used for only the 2001-04 business plan and discontinued for 2002-05, although it will continue to be used as an internal indicator.

The absolute number of fire injuries is not an appropriate measure as it does not consider variations in population size. This prevents any reasonable comparison with other years or targets. The government, in a variety of ways, acts in a supporting role to influence reductions in the number of fire injuries in the province, but this measure does not reflect the direct impact of activities of the Fire Commissioner's Office.

Targets

2001-2002:	Target – Maintain or improve on benchmark of 400 fire injuries Actual – 378 fire injuries
2000-2001:	Target – Set benchmark

Data Source

The Fire Commissioner's Office has the authority to collect data on fire incidents in the province (including fire injuries), as stated under Administrative Items Regulation of Alberta's *Safety Codes Act*. Fire incident and casualty data are collected on standard report forms prescribed in the Fire Commissioner's Fire Statistics Reporting Manual. The data is collected on a calendar year basis and reported in the following year using the Fire Statistics Information System at the Fire Commissioner's Office.

The number of fire injuries is calculated by summing the number of injuries in both civilians (men, women and children) and firefighters.

Methodology

The fire data received by the Fire Commissioner's Office is entered into the database of the Fire Statistics Information System and checked for accuracy. The measure is calculated using Statistical Analysis System software programming, which calculates the sum of the injuries in civilians (men, women and children) and firefighters.

Performance Measure

Reduction in personal and property loss due to preventable fires as demonstrated by the dollar value of fire losses in property

Relevance of Measure to Goal

Property loss occurs in fires due to direct damage from being consumed by flames; partial damage from flames, heat, and smoke; and damage from building collapse, explosion, and water used in firefighting. The potential for property loss is related to maintaining Alberta as a safe place to live and raise families. The Fire Commissioner's Office supports this goal through programs promoting fire prevention, early detection and warning, and proper emergency response during fire emergencies.

This measure is calculated as the sum of both insured and uninsured property lost. Property loss from fire includes only direct losses from fire, smoke, gas, explosion, or damages associated with firefighting operations. These losses are the cost of actual direct damage to property. This excludes loss of goodwill, loss of sales and other losses due to interruption of business or vacating a home. In accordance with Canadian insurance practices, damages and/or destruction of buildings and installed equipment are estimated and reported at actual replacement value. Fire chiefs must use the same criteria in estimating damages.

This measure was used for only the 2001-04 business plan and discontinued for 2002-05, although it will continue to be used as an internal indicator.

The absolute dollar loss representing property damage from fire is highly variable and unpredictable due to inflation and variation in the type of properties that succumb to fire. For example, a major fire in a Fort McMurray Oil Sands plant could cost $50 million in property damage, while a small business fire may cost $500,000. Another factor that causes variation in property losses is the variation in the value of real estate, which fluctuates from location to location and with economic cycles. This prevents any reasonable comparison with other years or targets.

The property loss figure is therefore inappropriate for assessing the overall effectiveness of fire prevention and safety programs of the Fire Commissioner's Office.

Targets

2001-2002:	Target – Maintain or improve on benchmark of $140 million in fire losses in property Actual – $198.8 million
2000-2001:	Target – Set benchmark

Data Source

The Fire Commissioner's Office has the authority to collect data on fire incidents in the province, as stated under Administrative Items Regulation of Alberta's *Safety Codes Act*.

Fire incident and casualty data are collected on standard report forms prescribed in the Fire Commissioner's Fire Statistics Reporting Manual. Fire data is reported by municipal fire departments that attended fires, insurance companies/adjusters who received claims on insured property, and police departments.

Using the data from the Fire Statistics Information System at the Fire Commissioner's Office, the measure is calculated as the sum of both uninsured and insured property damage from fire. Both damages to building and contents are included in the property loss figure.

Methodology

The fire data received by the Fire Commissioner's Office is entered into the database of the Fire Statistics Information System and checked for accuracy. The data is collected on a calendar-year basis and reported in the following year. The Fire Statistics Information System also provides custom analysis of fire loss data to meet requests from municipal fire departments, insurance companies, researchers, media and the general public.

The dollar loss of the property damage is calculated using Statistical Analysis System software programming, which sums the dollar losses of both uninsured and insured property losses from fire in buildings and contents.

Core business: Safety Services and Fire Protection

Performance Measure

Reduction in personal and property loss due to preventable fires as demonstrated by the reported number of fires

Relevance of Measure to Goal

The potential for fires to happen, causing injuries, deaths and property losses is one of the important safety issues in maintaining Alberta as a safe place to live and raise families. The Fire Commissioner's Office promotes programs to train Albertans in fire prevention.

This measure captures fires and exposure fires, which cause deaths or injuries or which destroy or damage property having a value that may be expressed in dollars. These are both defined in the Fire Statistics Reporting Manual of the Fire Commissioner.

This measure was used for only the 2001-04 business plan and discontinued for 2002-05, although it will continue to be used as an internal indicator.

The absolute number of reported fires in the province is not an accurate figure. Many fires go unreported due to the following reasons:

- Fire department was not called for assistance
- Fire department neglected to report the fire to the Fire Commissioner's Office
- Fire department delayed in submitting fire incident reports to the Fire Commissioner's Office
- Insurance company delayed or failed to submit fire incident reports, etcetera.

The absolute number of fires is also unpredictable and dependent on the size of the population and economic activity in the province. This prevents any reasonable comparison with other years or targets. The number of reported fires is therefore not reliable in assessing the overall effectiveness of fire prevention and safety programs.

Targets

2001-2002:	Target – Maintain or improve on benchmark of 6,500 fires reported Actual – 6,528
2000-2001:	Target – Set benchmark

Data Source

The Fire Commissioner's Office has the authority to collect data on fire incidents in the province, as stated under the Administrative Items Regulation of Alberta's *Safety Codes Act*.

Fire incident and casualty data are collected on standard report forms prescribed in the Fire Commissioner's Fire Statistics Reporting Manual. Fire data is reported by municipal fire departments that attended fires, insurance companies/adjusters who received claims on insured property, and police departments.

Methodology

The fire data received by the Fire Commissioner's Office is entered into the database of the Fire Statistics Information System and checked for accuracy. The Fire Statistics Information System is based on Statistical Analysis System programming software. Staff experienced in this programming perform data entry, validation, analysis and all related functions.

The data is compiled for a calendar year and reported in the following year. The sum of the total number of fires in all property classes, for both fires and exposure fires, is calculated and reported for this measure.

Goal 5: A disaster services program that enhances and supports local emergency preparedness for major emergencies and disasters

Core business: Disaster Services

Performance Measure

Achieve a level of 100 per cent of claims where a member of the damage assessment team arrives on-site within 30 days of an eligible claim being received

Relevance of Measure to Goal

When a widespread disaster occurs, the branch starts with an initial assessment. It advises the Minister on the potential for a disaster recovery program, its recommended geographical boundaries, and the proposed exclusions and limitations to compensation. Private sector program administrators are alerted to the possibility of a program requiring their services.

Disaster Services employees prepare to receive applications and work with the Communications Branch to prepare public information packages. With approval from the Minister, program administration personnel establish an office in the affected area and provide public notice of program approval and guidelines/venues for application.

The program administrator receives applications and assigns priority to those in greatest need. In many cases, the damage assessor will be on the scene the next day. Regardless of caseload, the target is to be on the scene within 30 days of receipt of all applications.

By measuring the percentage of eligible claims where a damage assessor arrives on site within 30 days of receipt of the application, the branch can gauge success in achieving this goal.

Targets

2001-2002:	Target – 100 per cent	Actual – 100 per cent
2000-2001:	Target – 100 per cent	Actual – 100 per cent
1999-2000:	Target – 100 per cent	Actual – 100 per cent
1998-1999:	Target – 100 per cent	Actual – n/a*
1997-1998:	Target – 100 per cent	Actual – 100 per cent

*As there were no disasters warranting a disaster recovery program in 1998-99, there is no data to report on the measure for this year.

Data Source

The disaster recovery database has been in use since July 1995. It tracks all applications received and activities related to the processing of each application made under a disaster recovery program.

Methodology

The database is used to identify the number of eligible disaster recovery applications and the number of those applications where the damage assessor arrived on the site within 30 days of receipt of the application.

Eligible applications are those that fall within the program approval document authorized by the Minister. For example, an application for a property that is outside the approved program boundaries would be deemed ineligible.

The applications are collected in a separate database established for each widespread disaster recovery program. The database records all dates pertinent to the administration of the program and can be queried at any time. The performance measure is calculated as a simple percentage: the number of applications that satisfy the 30-day criteria divided by the total number of eligible applications.

Core business: Disaster Services

Performance Measure

Level of preparedness testing as measured by percentage of municipalities, required to have emergency plans under the *Disaster Services Act*, that test their emergency plans through exercises within a four-year cycle

Relevance of Measure to Goal

The *Disaster Services Act* assigns a majority of the responsibility and authority for response to emergencies and disasters to the local municipal level of government. The Act specifies the powers of a local authority, which are available during a time of emergency or disaster and the Act also specifies the structure and preparedness actions that the municipality is obliged to have completed.

The Act recognizes that some local municipal government organizations do not have sufficient resources to meet all of the obligations for structure or preparedness actions (e.g. a hamlet), and so the Act defines which forms of local government are included under the Act. As of March 31, 2002, a total of 312 municipal-level organizations were included under the Act. These 312 municipal organizations physically cover the entire landmass of Alberta (excluding First Nations reservations), with no overlap.

The *Disaster Services Act* states that each of the 312 local authorities "shall prepare and approve emergency plans and programs." These municipal emergency plans represent the recorded preparations of the municipality to respond to a disaster or emergency. In any given year, a municipality is considered to have tested its plan if it conducts a desk-top or simulated exercise to ensure the plan's effectiveness. In addition, if a municipality experiences an actual event in which the municipal emergency plan is activated, it is deemed to have tested the plan.

This performance measure is designed to ensure that all of the municipalities covered under the Act are provided with the assistance required to test their municipal emergency plans at least once in a four-year cycle.

Targets

When this performance measure was first devised, it was recognized that different levels of preparedness were evident across municipalities, and that some municipalities would require more assistance than others to be prepared to have their municipal emergency plans exercised. Although the goals are targeted at an even 25 per cent per year, actual results far exceed targets in the first two years of a four-year cycle, as numerous municipalities are very well prepared and conduct many exercises above and beyond minimum expectations. In addition to a higher standard of preparedness in the province, this also allows district officers to spend more time with those municipalities that require extra assistance in developing and conducting exercises.

The target was established as follows:

Year 1		
1998-1999:	Target – 25 per cent	Actual – 42 per cent
Year 2		
1999-2000:	Target – 50 per cent	Actual – 75 per cent
Year 3		
2000-2001:	Target – 75 per cent	Actual – 88 per cent
Year 4		
2001-2002:	Target – 100 per cent	Actual – 100 per cent

Data Source

The source for the data on this measure is a quarterly report submitted by the six district officers in Community Programs at Disaster Services. The fourth quarter report is used to extract the actual number of municipalities that have tested their plans in the current year, either through a coordinated exercise or an actual event, and have not previously exercised their plans in the current four-year cycle.

Methodology

All six district officers compile and submit quarterly reports to the Director of Community Programs who maintains a four-year cumulative report for the testing cycle. This information is used to verify if an event or exercise represents the required test for the municipality or if it is a repeat test. Once the four-year cumulative report by district is updated, a simple sum of the six districts is calculated, which is then divided by the total number of municipalities to produce a cumulative percentage.

FINANCIAL INFORMATION

Ministry of Municipal Affairs
Financial Statements – March 31, 2002

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly:

I have audited the Statement of Financial Position of the Ministry of Municipal Affairs as at March 31, 2002 and the Statements of Operations and Changes in Financial Position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles:

Reporting Entity

Canadian generally accepted accounting principles require the consolidation of organizations that together constitute a single economic unit. In the public sector, consolidated financial statements should aggregate the financial statements of organizations comprising a reporting entity. A reporting entity is defined as comprising the organizations that are accountable for the administration of their financial affairs and resources to a minister, and are owned or controlled by the government.

These financial statements contain only the results of operations and net assets of the Department of Municipal Affairs. In my opinion, the Ministry's delegated administrative organizations (DAOs) and the Safety Codes Council should be included in these financial statements. These organizations require the Minister's approval of revenue-raising, expenditure and resource allocation policies related to their functions.

Safety services administration is the responsibility of the government. Therefore, consolidation of the DAOs and the Safety Codes Council with the Department of Municipal Affairs would provide a complete overview of the full nature and extent of the financial affairs and resources for which the Minister is accountable.

Had the Safety Codes Council and the DAOs been included in the Ministry's statements, then revenues, expenses, assets, liabilities and net assets would have increased by approximately:

	Revenues	Expenses	Assets	Liabilities	Net Assets
			(thousands of dollars)		
Safety Codes Council	$ 1,732	$ 1,401	$ 4,512	$ 1,492	$ 3,020
DAOs	11,604	10,337	10,881	2,217	8,664
	$ 13,336	**$ 11,738**	**$ 15,393**	**$ 3,709**	**$ 11,684**

Capital assets

The Ministry employs a policy of expensing capital asset purchases under $15,000 (systems development under $100,000) in the year of acquisition. Consequently a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2002, assets and net assets have been understated by approximately $1,200,000 representing the unconsumed cost of capital assets at that date.

If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included as expenses of the current year. The value of capital asset purchases that were expensed in the current year is more than the amount that would have been recorded as amortization expense, overstating expenses for the year ended March 31, 2002 by $86,000.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Ministry at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

CA
Auditor General

Edmonton, Alberta
May 17, 2002

Statement of Operations – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2002 Budget (Schedule 4)	2002 Actual	2001 Actual (restated - Note 3)
Revenues (Schedules 1 and 2)			
Internal government transfers	$ 12,000	$ 12,000	$ 12,000
Transfers from Government of Canada	496	186	2,220
Premiums, fees, and licences	376	435	653
Other revenue	1,531	2,534	2,136
	14,403	**15,155**	**17,009**
Expenses - directly incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	10,067	9,233	10,339
Local Government Services	111,827	106,110	118,458
Safety Services and Fire Protection	76,431	45,327	18,892
Disaster Services	2,940	5,682	11,265
Municipal Government Board	1,919	2,354	2,285
	203,184	**168,706**	**161,239**
Valuation adjustments			
Provision for bad debts	-	3	10
(Reduction of) provision for vacation pay	-	(576)	200
	-	**(573)**	**210**
Total expenses	**203,184**	**168,133**	**161,449**
Net operating results	**$ (188,781)**	**$ (152,978)**	**$ (144,440)**

The accompanying notes and schedules are part of these financial statements.

Statement of Changes in Financial Position – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2002 Actual	2001 Actual (restated - Note 3)
Operating transactions:		
Net operating results	$ (152,978)	$ (144,440)
Non-cash charges		
Amortization	1,017	697
Valuation adjustments	(573)	210
	(152,534)	(143,533)
Decrease (increase) in accounts receivable	1,584	(1,203)
Decrease in loans and advances	7	11
Increase in accounts payable and accrued liabilities	32,795	12,497
Cash used for operating transactions	**(118,148)**	**(132,228)**
Investing transactions:		
Purchases of capital assets (Schedule 5)	(2,137)	(1,082)
Transfer of capital assets to Innovation and Science	5	-
Cash used for investing transactions	**(2,132)**	**(1,082)**
Financing transactions:		
Net transfer from general revenues	**119,927**	**133,243**
Net cash used	**(353)**	**(67)**
Cash at beginning of year	475	542
Cash at end of year	**$ 122**	**$ 475**

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position –
Ministry of Municipal Affairs

As at March 31, 2002

(thousands of dollars)

	2002	2001 (restated - Note 3)
Assets		
Cash	$ 122	$ 475
Accounts receivable (Note 4)	31,815	33,402
Loans and advances	23	30
Capital assets (Note 6)	3,502	2,387
	$ 35,462	**$ 36,294**
Liabilities		
Accounts payable and accrued liabilities	**$ 55,330**	**$ 23,111**
Net (liabilities) assets		
Net assets at beginning of year, as restated (Note 3)	13,183	24,380
Net operating results	(152,978)	(144,440)
Net transfer from general revenues	119,927	133,243
Net (liabilities) assets at end of year	**(19,868)**	**13,183**
	$ 35,462	**$ 36,294**

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements – Ministry of Municipal Affairs

For the year ended March 31, 2002

Note 1 Authority and Purpose

The Ministry of Municipal Affairs operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry works in partnership with Alberta's municipalities, other government departments, local authorities, various organizations focused on local issues, and the private sector to ensure Albertans live in safe and sustainable communities and are served by open, effective and accountable governments.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Municipal Affairs for which the Minister of Municipal Affairs is accountable. The Ministry is also responsible for the Improvement Districts' Trust Account and the Special Areas Trust Account, the activities of which are not included in these financial statements except by way of Note 9 to these financial statements.

The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) **Basis of Financial Reporting**

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

Directly incurred expenses include:

- amortization of capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and are amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000.

Liabilities
Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets/Liabilities
Net assets/net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Note 3 Government Restructuring

On March 15, 2001, a government restructuring was announced. As a result, on March 19, 2001 the Information Management and Privacy Branch was transferred to the Ministry of Government Services.

This restructuring has resulted in the restatement of the 2001 comparatives and the restatement of the net assets as follows:

	(thousands of dollars)
Net assets, as previously reported at March 31, 2000	$ 24,210
Transfer of net liabilities to the Ministry of Government Services	170
Net assets, as restated at March 31, 2000	**$ 24,380**

Note 4 Accounts Receivable

	Gross Amount	Allowance for Doubtful Accounts	2002 Net Realizable Value	2001 Net Realizable Value
		(thousands of dollars)		
Government of Canada	$ 31,784	$ –	$ 31,784	$ 31,814
Other	40	(9)	31	1,588
	$ 31,824	**$ (9)**	**$ 31,815**	**$ 33,402**

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 6 Capital Assets

	Estimated Useful Life	Cost	Accumulated Amortization	2002 Net Book Value	2001 Net Book Value
			(thousands of dollars)		
Equipment	10 years	$ 1,141	$ (195)	$ 946	$ 106
Computer Hardware and Software	5 years	5,416	(2,860)	2,556	2,281
		$ 6,557	$ (3,055)	$ 3,502	$ 2,387

Note 7 Commitments

The Ministry has entered into contractual agreements with various parties with aggregate future commitments amounting to $8,788,000 (2001 – $7,305,000).

Commitments due are shown as follows:

2002-2003	$ 4,055,000
2003-2004	2,328,000
2004-2005	2,405,000
	$ 8,788,000

Note 8 Contingencies

At March 31, 2002, the Ministry is a defendant in one hundred and twelve legal claims (2001- seventy-three legal claims) including seven claims amounting to $7,465,300 in which the Ministry has been jointly named with other entities. All of these claims have specified amounts totalling $103,170,700 (2001 – seventy-three claims with a specified amount of $124,095,500). Eighty-six claims amounting to $84,675,400 are covered by the Alberta Risk Management Fund.

Of the one hundred and twelve legal claims mentioned above, fifty-seven are commenced by individuals as a result of alleged damages they incurred through the use of untreated pine shakes as a roofing material. The total amount of damages claimed in those fifty-seven legal claims is $65,491,500.

The resulting loss, if any, from these claims cannot be determined.

Note 9 Trust Funds Under Administration

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the Ministry's net assets.

The financial statements of the trust funds are prepared on a calendar-year basis and the net assets as disclosed in the December 2001 audited financial statements of the trust funds are as follows:

	2002	2001
	(thousands of dollars)	
Special Areas Trust Account	$ 68,805	$ 64,442
Improvement Districts' Trust Account	12,485	11,317
	$ 81,290	$ 75,759

Note 10 Payments Under Agreement

The Ministry has entered into an agreement with the National Search and Rescue Secretariat to deliver search and rescue projects under the federal government's New Initiatives Fund. The Ministry is fully reimbursed by the National Search and Rescue Secretariat for all costs incurred by it in the delivery of the search and rescue projects. The Ministry also recovers its costs for amounts paid under the First Nations Emergency Planning Program from Indian and Northern Affairs Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Accounts receivable include $119,400 and accounts payable include $6,952 relating to payments under agreement.

Amounts paid and payable under agreement are as follows:

	2002
	(thousands of dollars)
Stars Helicopter Night Vision Goggle Program	$ 76
YouthSafe Outdoor Pursuits Risk Management	111
First Nations Emergency Planning Program	328
	$ 515

Note 11 Defined Benefit Plans

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $1,187,000 for the year ended March 31, 2002 (2001 – $1,140,000).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of $5,338,000 (2000 (restated) – $170,858,000) and the Public Service Pension Plan reported a surplus of $320,487,000 (2000 – $635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $399,000 (2000 – surplus of $180,000).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of $8,646,000 (2001 – $12,710,000) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $2,656,000 (2001 – $4,583,000). The expense for these two plans is limited to employer's annual contributions for the year.

Note 12 Comparative Figures

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

Note 13 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule of Revenues – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2002 Budget	2002 Actual	2001 Actual
Internal government transfers			
Transfer from the lottery fund	$ 12,000	$ 12,000	$ 12,000
Transfer from the Government of Canada			
Disaster assistance programs	-	(221)	1,684
Other	496	407	536
	496	186	2,220
Premiums, fees and licences	376	435	653
Other revenue			
Refunds of expenditure	1,530	2,509	2,124
Miscellaneous	1	25	12
	1,531	2,534	2,136
	$ 14,403	**$ 15,155**	**$ 17,009**

Schedule 2

Schedule of Dedicated Revenue Initiatives – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess
Industrial assessment services	**$ 1,475**	**$ 1,526**	**$ 51**

The Ministry prepares linear property and major plant assessments for various municipalities on a cost-recovery basis. The dedicated revenues are reported as part of other revenues on the Ministry's statement of operations.

Schedule 3

Schedule of Directly Incurred Expenses Detailed by Object – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2002		2001
	Budget	Actual	Actual (restated - note 3)
Voted:			
Salaries, wages and employee benefits	$ 20,792	$ 21,303	$ 19,248
Supplies and services	16,814	15,999	16,089
Grants	163,882	130,336	125,156
Other	51	51	49
Amortization of capital assets	1,645	1,017	697
	$ 203,184	**$ 168,706**	**$ 161,239**

Schedule of Budget – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2001-02 Estimates	Authorized Supplementary	2001-02 Authorized Budget
Revenues			
Internal government transfers	$ 12,000	$ -	$ 12,000
Transfers from Government of Canada	496	-	496
Premiums, fees, and licences	376	-	376
Other revenue	1,531	-	1,531
	14,403	-	14,403
Expenses			
Voted			
Ministry Support Services	10,067	-	10,067
Local Government Services	111,827	-	111,827
Safety Services and Fire Protection	76,431	-	76,431
Disaster Services	2,940	-	2,940
Municipal Government Board	1,919	-	1,919
	203,184	-	203,184
Net operating results	**$ (188,781)**	**$ -**	**$ (188,781)**
Capital investment	**$ 830**	**$ -**	**$ 830**

Schedule of Comparison of Directly Incurred Expenses and Capital Investments by Element to Authorized Budget – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2001-02 Estimates	Authorized Supplementary	2001-02 Authorized Budget	2001-02 Actual Expenses [a]	Unexpended (Over Expended)
Voted expenses					
Ministry Support Services					
Minister's office	$ 270	$ -	$ 270	$ 265	$ 5
Deputy minister's office	374	-	374	496	(122)
Support services					
-Operating expense	9,423	-	9,423	8,472	951
-Capital investment	125	-	125	378	(253)
	10,192	-	10,192	9,611	581
Local Government Services					
Division support					
-Operating expense	3,938	-	3,938	3,115	823
-Capital investment	705	-	705	805	(100)
Municipal services	7,295	-	7,295	6,312	983
Assessment services	5,947	-	5,947	6,330	(383)
Unconditional municipal grant	37,947	-	37,947	37,533	414
Municipal debenture interest rebate program	10,780	-	10,780	10,273	507
Grants in place of taxes	31,690	-	31,690	26,921	4,769
Financial support to local authorities	730	-	730	2,787	(2,057)
Municipal sponsorship	13,500	-	13,500	12,839	661
	112,532	-	112,532	106,915	5,617
Safety Services and Fire Protection					
Division support	712	-	712	748	(36)
Program management	367	-	367	765	(398)
Technical services	1,682	-	1,682	2,556	(874)
Regional management	3,162	-	3,162	2,666	496
Fire commissioner	508	-	508	2,006	(1,498)
Underground petroleum storage tanks	70,000	-	70,000	36,586	33,414
	76,431	-	76,431	45,327	31,104
Disaster Services					
Branch management and programs					
-Operating expense	1,637	-	1,637	2,715	(1,078)
-Capital investment	-	-	-	954	(954)
Disaster recovery	1,303	-	1,303	2,967	(1,664)
	2,940	-	2,940	6,636	(3,696)
Municipal Government Board					
Municipal Government Board	1,919	-	1,919	2,354	(435)
	$ 204,014	**$ -**	**$ 204,014**	**$ 170,843**	**$ 33,171**

Schedule of Comparison of Directly Incurred Expenses and Capital Investments by Element to Authorized Budget – Continued

Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

	2001-02 Estimates	Authorized Supplementary	2001-02 Authorized Budget	2001-02 Actual Expenses [a]	Unexpended (Over Expended)
Program operating expense	$ 191,184	$ -	$ 191,184	$ 156,706	$ 34,478
Program operating expense funded by lotteries	12,000	-	12,000	12,000	-
	203,184	**-**	**203,184**	**168,706**	**34,478**
Program capital investment	**830**	**-**	**830**	**2,137**	**(1,307)**
	$ 204,014	**$ -**	**$ 204,014**	**$ 170,843**	**$ 33,171**

(a) Includes achievement bonuses of $247,657.

Schedule of Salary and Benefits Disclosure – Ministry of Municipal Affairs

For the year ended March 31, 2002

	2002			2001
	Salary[1]	Benefits and Allowances[2]	Total	Total
Senior Official				
Deputy Minister[3]	$ 157,576	$ 66,707	$ 224,283	$ 203,877
Executives				
Assistant Deputy Ministers:				
Local Government Services	123,508	30,390	153,898	146,394
Public Safety[4]	107,970	23,672	131,642	143,983
Acting, Public Safety[5]	11,032	2,673	13,705	-
Executive Directors:				
Human Resource Services[6]	97,240	38,759	135,999	118,018
Business Services	109,416	27,845	137,261	130,408
Financial and Information Technology Services	102,544	20,646	123,190	116,263

Total salary and benefits relating to a position are disclosed.

(1) Salary includes regular base pay, bonuses, overtime and lump sum payments.

(2) Benefits and allowances include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums, professional memberships and tuition.

(3) Automobile provided, no dollar amount included in benefits and allowances figures. Benefits and allowances include a vacation payout of $18,907.

(4) Individual occupying this position transferred to another Ministry effective February 18, 2002.

(5) This acting position was occupied effective February 18, 2002.

(6) The incumbent's services are shared with the Ministry of Government Services which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule. Benefits and allowances include a vacation payout of $21,208.

Schedule of Related Party Transactions – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Other Government Entities	
	2002	2001
Revenues		
Transfer from the lottery fund	$ 12,000	$ 12,000
Expenses		
Supplies and services	$ 2,624	$ 778

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	Other Government Entities	
	2002	2001
Expenses		
Accommodation	$ 4,623	$ 5,521
Legal	718	677
	$ 5,341	$ 6,198

The Ministry paid $25.931 million (2000-01 - $28.285 million) of grants in place of taxes on behalf of other ministries.

Schedule 8

Schedule of Allocated Costs – Ministry of Municipal Affairs

For the year ended March 31, 2002

(thousands of dollars)

Program	2002 Expenses[1]	2002 Expenses - Incurred by Others: Accommodation Costs	2002 Expenses - Incurred by Others: Legal Services	2002 Valuation Adjustments: Vacation Pay	2002 Valuation Adjustments: Doubtful Accounts	2002 Total	2001 Total (restated - Note 3)
Ministry Support Services	$ 9,233	$ 1,479	$ 65	$ (86)	$ -	$ 10,691	$ 12,168
Local Government Services	106,110	1,618	278	(254)	3	107,755	120,908
Safety Services and Fire Protection	45,327	925	136	(167)	-	46,221	20,189
Disaster Services	5,682	277	12	(46)	-	5,925	11,579
Municipal Government Board	2,354	324	227	(23)	-	2,882	2,803
	$ 168,706	**$ 4,623**	**$ 718**	**$ (576)**	**$ 3**	**$ 173,474**	**$ 167,647**

(1) Expenses – directly incurred as per statement of operations, excluding valuation adjustments ($168,133 plus $573 = $168,706).

Other Information

Statement of Revenues and Expenditures of the Improvement Districts' Trust Account – UNAUDITED

Statement of Revenues and Expenditures – Summary 84

Statement of Revenues and Expenditures – Detail 85

Note to Reader:

The unaudited financial information being presented here was derived from the December 31, 2001 audited financial statements of each Improvement District.

Statement of Revenues and Expenditures – Summary
Improvement Districts' Trust Account

For the year ended December 31, 2001

	Improvement District							
	4	9	12	13	24	Jasper	Kananaskis [a]	Total
Revenues	$ 22,919	$ 801,898	$ 45,244	$ 22,739	$ 13,608	$ 2,497,797	$ 967,815	$ 4,372,020
Expenditures	23,833	448,378	17,833	37,746	13,264	2,236,528	866,182	3,643,764
Excess (deficiency) of revenues over expenditures	$ (914)	$ 353,520	$ 27,411	$ (15,007)	$ 344	$ 261,269	$ 101,633	$ 728,256

Improvement District:

4	Waterton National Park
9	Banff National Park
12	Jasper National Park
13	Elk Island National Park
24	Wood Buffalo National Park

[a] Ministerial Order No. L:159/01 delegated, effective October 1, 2001, the administration of the Kananaskis Improvement District to the Minister of Community Development.

Statement of Revenues and Expenditures – Detail
Improvement Districts' Trust Account

For the year ended December 31, 2001

	Improvement District							
	4	9	12	13	24	Jasper	Kananaskis	Total
REVENUES								
General Municipal:								
Taxation								
Real property	$ 220,630	$ 2,525,011	$ 87,986	$ 3,980	$ 4,133	$ 2,791,002	$ 1,070,294	$ 6,703,036
Federal grants in lieu of taxes	52,642	524,972	16,585	26,600	15,322	315,763	11,613	963,497
Provincial grants in lieu of taxes	-	-	-	-	-	-	141,638	141,638
Power and pipeline	2,343	72,113	74,745	11,884	10,742	156,407	246,515	574,749
Penalties and costs	1,651	265	664	250	179	10,984	1,582	15,575
	277,266	3,122,361	179,980	42,714	30,376	3,274,156	1,471,642	8,398,495
Less payment of requisitions to:								
Alberta School Foundation Fund	260,595	2,352,868	144,287	25,138	17,008	2,119,692	880,248	5,799,836
Seniors Foundation	-	32,976	1,985	-	-	27,785	12,859	75,605
	260,595	2,385,844	146,272	25,138	17,008	2,147,477	893,107	5,875,441
General municipal taxes	16,671	736,517	33,708	17,576	13,368	1,126,679	578,535	2,523,054
Government transfers	2,000	3,910	-	-	-	599,734	8,007	613,651
Interest	4,123	3,960	11,536	5,163	240	15,143	33,761	73,926
Other	125	57,511	-	-	-	756,241	347,512	1,161,389
	$ 22,919	$ 801,898	$ 45,244	$ 22,739	$ 13,608	$ 2,497,797	$ 967,815	$ 4,372,020
EXPENDITURES								
General Municipal:								
Administrative services	$ 23,833	$ (186,423)	$ 11,097	$ 6,486	$ 13,264	$ 449,323	$ (9,618)	$ 307,962
Transportation services	-	-	-	-	-	21,864	64,467	86,331
Protective services	-	570,643	6,736	-	-	252,049	546,962	1,376,390
Recreation and cultural services	-	58,413	-	-	-	1,142,311	-	1,200,724
Agriculture, planning and other community services	-	-	-	-	-	368,313	-	368,313
Other expenditures	-	5,745	-	31,260	-	2,668	264,371	304,044
	$ 23,833	$ 448,378	$ 17,833	$ 37,746	$ 13,264	$ 2,236,528	$ 866,182	$ 3,643,764

Other Information

Financial Statements of the Special Areas Trust Account – AUDITED

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Minister of Municipal Affairs:

I have audited the balance sheet of the Special Areas Trust Account as at December 31, 2001 and the statements of revenue, expenditure and accumulated excess of revenue over expenditure, reserves, equity in physical assets and cash flows for the year then ended. These financial statements are the responsibility of the Special Areas Trust Account's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Special Areas Trust Account as at December 31, 2001, and the results of its operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles for municipal governments.

James Ho CA
Acting Auditor General

Edmonton, Alberta
March 8, 2002

Statement of Financial Position – Special Areas Trust Account

As at December 31, 2001

	2001	2000
ASSETS		
Financial Assets		
Current:		
Cash (Note 3)	$ 29,196,974	$ 26,885,806
Accounts receivable, net (Note 4)	1,396,776	1,532,301
Taxes receivable, net	278,258	323,169
Due from Province of Alberta, net (Note 5)	206,252	960,044
	31,078,260	29,701,320
Non-current:		
Accounts receivable, net (Note 4)	2,398,830	2,751,097
Investments, Schedule 1	20,548,265	19,310,527
Total financial assets	54,025,355	51,762,944
Physical Assets (Note 6)		
Capital assets	14,485,445	13,618,009
Inventories	2,748,151	2,521,498
Total physical assets	17,233,596	16,139,507
	$ 71,258,951	$ 67,902,451
LIABILITIES AND TRUST EQUITY		
Current:		
Accounts payable and accruals	$ 1,146,931	$ 1,365,719
Deferred lease revenue	297,493	248,211
Deferred provincial grant revenue	-	776,650
	1,444,424	2,390,580
Non-current:		
Provision for gravel pit reclamation (Note 7)	1,010,000	1,070,000
Total Liabilities	2,454,424	3,460,580
Equity:		
Accumulated excess of revenue over expenditure	4,537,970	1,891,936
Reserves	47,032,961	46,410,428
In physical assets	17,233,596	16,139,507
Total Equity	68,804,527	64,441,871
	$ 71,258,951	$ 67,902,451

The accompanying notes and schedules are part of these financial statements.

Statement of Revenue, Expenditure and Accumulated Excess of Revenue Over Expenditure – Special Areas Trust Account

For the year ended December 31, 2001

	2001 BUDGET (Note 16)	2001 ACTUAL	2000 ACTUAL
Revenue			
General municipal:			
Taxation			
Power and pipeline	$ 19,862,456	$ 18,589,155	$ 19,890,262
Real property	5,953,255	5,162,765	6,768,508
Grazing and cultivation	965,602	925,408	1,040,488
Penalties and costs on taxes	125,000	201,487	194,745
	$ 26,906,313	$ 24,878,815	$ 27,894,003
Less amounts expended by transfers:			
Alberta School Foundation Fund	$ 17,165,000	$ 14,040,539	$ 18,373,513
Seniors Foundation requisitions	670,000	769,821	787,545
	17,835,000	14,810,360	19,161,058
Net taxes for municipal purposes	9,071,313	10,068,455	8,732,945
Provincial grants (Note 8)	4,264,968	4,655,797	9,948,721
Leases (Note 9)	4,976,000	5,788,776	4,598,332
Interest	2,571,000	2,469,757	2,513,639
Tax recovery land sales	370,000	274,111	360,519
Other (Note 10)	1,484,500	2,065,521	1,996,513
Total revenue, carried forward	$ 22,737,781	$ 25,322,417	$ 28,150,669

Statement of Revenue, Expenditure and Accumulated Excess of Revenue Over Expenditure – Continued

Special Areas Trust Account

For the year ended December 31, 2001

	2001 BUDGET (Note 16)	2001 ACTUAL	2000 ACTUAL
Total revenue, brought forward	$ **22,737,781**	$ **25,322,417**	$ **28,150,669**
Expenditure			
General municipal:			
Transportation services	15,166,455	15,621,046	20,985,263
Administrative services	2,456,761	2,607,905	2,761,585
Agriculture and community pasture services	1,263,726	1,423,584	1,042,352
Recreational and cultural services	902,629	896,636	692,164
Water and sanitation services	1,571,896	700,493	632,678
Protective services	616,314	705,096	338,594
Industrial tax transfers	110,000	99,090	107,325
Total expenditure (Note 11 and 13)	**22,087,781**	**22,053,850**	**26,559,961**
Excess of revenue over expenditure	$ **650,000**	**3,268,567**	**1,590,708**
Accumulated excess of revenue over expenditure at beginning of year		1,891,936	1,003,408
		5,160,503	2,594,116
Less: transfers to tax recovery land sales reserve (Note 14):			
Phase I	$ -	(9,479)	(8,181)
Phase II	(650,000)	(613,054)	(693,999)
	$ (650,000)	(622,533)	(702,180)
Accumulated excess of revenue over expenditure at end of year		$ **4,537,970**	$ **1,891,936**
Increase in accumulated excess of revenue over expenditure during the year	$ **-**	$ **2,646,034**	$ **888,528**

Statement of Reserves – Special Areas Trust Account

For the year ended December 31, 2001

	2001	2000
Tax recovery land sales reserves :		
Phase I		
Balance at beginning of year	$ 39,290,203	$ 39,282,022
Add transfers of accumulated excess of revenue over expenditure (Note 14)	9,479	8,181
Balance at end of year	39,299,682	39,290,203
Phase II		
Balance at beginning of year	7,118,906	6,424,907
Add transfer from accumulated excess of revenue over expenditure (Note 14)	613,054	693,999
Balance at end of year	7,731,960	7,118,906
Total balance at end of year	47,031,642	46,409,109
Public reserve:		
Balance at beginning and end of year	1,319	1,319
Total reserves	$ **47,032,961**	$ **46,410,428**

Statement of Equity in Physical Assets – Special Areas Trust Account

For the year ended December 31, 2001

	2001	2000
Equity in capital assets at beginning of year	$ 13,618,009	$ 12,535,890
Add purchase of capital assets:		
Transportation services	2,020,623	1,959,659
Administrative services	282,382	504,705
Agriculture and community pasture services	211,605	112,692
Recreation and cultural services	113,068	26,945
Protective services	215,292	32,515
	2,842,970	2,636,516
Annual amortization of capital assets	(1,330,605)	(1,291,578)
Disposal of capital assets	(644,929)	(262,819)
Equity in capital assets at end of year	$ 14,485,445	$ 13,618,009
Equity in inventories at beginning of year	$ 2,521,498	$ 2,742,996
Add purchases and other inventory costs	2,128,219	1,938,082
Deduct requisitions	(1,901,566)	(2,159,580)
Equity in inventory at end of year	$ 2,748,151	$ 2,521,498
Equity in physical assets at end of year	**$ 17,233,596**	**$ 16,139,507**

Statement of Cash Flows – Special Areas Trust Account

For the year ended December 31, 2001

	2001	2000
Operating activities:		
Excess of revenue over expenditure	$ 3,268,567	$ 1,590,708
Amortization of investment premiums, less discounts	120,888	(8,446)
Gain on sale of investments	(84,534)	(1,354)
Decrease in provision for gravel pit reclamation	(60,000)	-
Purchase of capital assets	2,842,970	2,636,516
Increase (decrease) in inventories	226,653	(221,498)
	6,314,544	3,995,926
Changes in non-cash working capital accounts:		
Accounts receivable	135,525	563,223
Taxes receivable, net	44,911	612,262
Due from/to the Province of Alberta, net	753,792	(1,064,535)
Accounts payable and accruals	(218,788)	101,351
Deferred lease revenue	49,282	39,451
Deferred provincial grant revenue	(776,650)	776,650
Inventories	(226,653)	221,498
	(238,581)	1,249,900
Cash provided by operating activities	6,075,963	5,245,826
Investing activities:		
Net change in non-current accounts receivable	352,267	262,417
Proceeds from redemption of investments	5,847,038	3,050,730
Purchase of investments	(7,121,130)	(4,720,909)
Purchase of capital assets	(2,842,970)	(2,636,516)
Cash applied to investing activities	(3,764,795)	(4,044,278)
Increase in cash	2,311,168	1,201,548
Cash at the beginning of year	26,885,806	25,684,258
Cash at end of year	**$ 29,196,974**	**$ 26,885,806**

Notes to the Financial Statements – Special Areas Trust Account

For the year ended December 31, 2001

Note 1 Authority and Purpose

The Special Areas Trust Account operates under the authority of the *Special Areas Act*, Chapter S-16, Revised Statutes of Alberta 2000. The Special Areas Trust Account is held by the Special Areas Board, an agent of the Crown in right of Alberta, and as such, has a tax-exempt status. The Special Areas Board (the "board") is appointed by the Lieutenant Governor in Council. The board provides municipal services and long-term land resource management.

Note 2 Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with generally accepted accounting principles for municipal governments.

(b) Capital Assets

Capital asset acquisitions are included as expenditures in the Statement of Revenue, Expenditure and Accumulated Excess of Revenue over Expenditure. For information purposes, capital assets except the cost of construction of roads, bridges, and other infrastructure, having an original cost greater than $2,500 are shown on the Statement of Financial Position as physical assets at net book value with the offsetting credit to equity in physical assets. All electronic data processing equipment is capitalized.

The cost of capital assets shown on the Statement of Financial Position is amortized to estimated salvage value at the following rates (rates and values expressed as a percentage of original cost):

	Annual Amortization			Estimated Salvage Value
	Year 1	Year 2	Year 3 and Thereafter	
	%	%	%	%
Mobile equipment	5.00	5.00	5.00	5.00
Buildings	2.50	2.50	2.50	2.50
Automotive equipment	20.00	15.00	10.00	10.00
Machinery and equipment	6.67	6.67	6.67	6.67
Electronic data processing				
-Hardware	40.00	30.00	20.00/10.00	–
-Software	25.00	25.00	25.00	–

The portion of the cost of purchased land attributed to the value of gravel situated on the land is amortized at the rate at which the gravel is excavated.

(c) Tax Recovery Land and Crown Land

Tax recovery land, including any mineral surface leases attached thereto, was acquired for insignificant amounts and is not recorded in the balance sheet. Approximately 1.146 million acres of tax recovery land remains unsold as at December 31, 2001 (2000 - 1.151 million acres).

Crown land transferred to the province from the Government of Canada for no monetary consideration, located within the Special Areas and administered by the Special Areas Board, is not valued for financial statement purposes.

(d) Investments

Investments are valued at cost adjusted for the applicable amortization of discount or premium using the straight-line method over the period to maturity.

(e) Inventories

The cost of consumable supplies is included as expenditure when incurred. For information purposes, inventories of consumable supplies are shown on the balance sheet as physical assets at net book value with the offsetting credit to equity in physical assets. Inventories are valued at the lower of cost or net replacement value. Cost for gravel and fuel is determined by using the first-in-first-out method and for parts and other by using the average cost method.

(f) Pensions

The board participates in two multi-employer defined benefit pension plans, the Management Employee Pension Plan and the Public Service Pension Plan. The board accounts for its participation in these plans on a defined contribution basis. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

(g) Financial Instruments

The carrying value of cash, current accounts receivable, taxes receivable, amounts due from/to the Province of Alberta, and accounts payable and accruals approximate fair value due to the short-term maturities of these items. The carrying value of non-current accounts receivable approximate their fair value. The fair value of investments is disclosed on Schedule 1.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (the "fund") of the Province of Alberta. The fund is a demand account managed by Alberta Revenue with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is composed of high quality short-term and mid-term fixed income securities with a maximum term to maturity of five years.

Note 4 Accounts Receivable, Net

Accounts receivable, net of applicable allowances for doubtful accounts of $123,299 for 2001 ($238,727 for 2000), are composed of the following:

	2001	2000
Current:		
From sale of tax recovery land and related mineral surface leases	$ 456,297	$ 520,770
Accrued interest	91,492	116,490
	547,789	637,260
Leases	108,186	78,346
Accrued interest on investments	281,674	273,308
Miscellaneous	459,127	543,387
	$ 1,396,776	$ 1,532,301
Non-current:		
From sale of tax recovery land and related mineral service leases	$ 2,065,233	$ 2,572,998
Other	333,597	178,099
	$ 2,398,830	$ 2,751,097

Payment for tax recovery land sold and for the sales of related mineral surface leases may be made in instalments over a period not exceeding ten years. An interest rate of 8% per annum is applied to tax recovery land sales. Title to tax recovery land sold (and related leases sold) is transferred from the Minister of Municipal Affairs to the purchaser after all payments have been received. If a purchaser defaults in payment, the agreement(s) for sale may be declared null and void and all monies received may be retained in the trust account as liquidated damages.

Note 5 Due from (to) Province of Alberta, Net

The net amount due to/from the Province of Alberta is comprised of the following:

	2001	2000
Due from Province of Alberta:		
Alberta Infrastructure	$ 368,571	$ 362,689
Other	12,878	34,646
Alberta School Foundation Fund	-	702,663
	381,449	1,099,998
Due to Province of Alberta:		
Alberta Environment	(175,197)	(137,465)
Other	-	(2,489)
	(175,197)	(139,954)
Due from Province of Alberta, net	$ 206,252	$ 960,044

Note 6 Physical Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Capital Assets:				
Mobile equipment	$ 14,124,354	$ 6,508,536	$ 7,615,818	$ 7,178,963
Buildings	5,315,243	2,377,395	2,937,848	2,878,777
Automotive equipment	5,277,441	3,617,113	1,660,328	1,463,730
Machinery and equipment	2,526,686	1,487,934	1,038,752	1,028,948
Land	864,934	72,427	792,507	792,507
Electronic data processing				
- hardware	388,517	344,431	44,086	54,703
- software	529,270	133,164	396,106	220,381
	$ 29,026,445	$ 14,541,000	14,485,445	13,618,009

		Allowance for Obsolescence		
Inventory:				
Parts and other	$ 1,519,522	$ 15,195	1,504,327	1,430,943
Gravel	1,222,469	-	1,222,469	1,057,068
Fuel	21,355	-	21,355	33,487
	$ 2,763,346	$ 15,195	2,748,151	2,521,498
Total physical assets			$ 17,233,596	$ 16,139,507

Note 7 Provision for Gravel Pit Reclamation

The provision for gravel pit reclamation costs are estimates of future costs of restoring gravel pits to the standards required by the *Environmental Protection and Enhancement Act*. There is uncertainty with respect to the measurement of the estimates. Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount. Restoration is ongoing and the uncertainty inherent in the provision will thus be partially resolved each year.

Note 8 Provincial Grants

	2001	2000
Infrastructure	$ 4,273,873	$ 9,493,249
Agriculture, Food and Rural Development	178,506	232,209
Children's Services	89,078	81,831
Environment	83,841	71,862
Municipal Affairs	11,330	50,640
Community Development	16,000	16,000
Human Resources and Employment	3,169	2,930
	$ 4,655,797	$ 9,948,721

Note 9 Lease Revenue

	2001	2000
Mineral surface leases	$ 2,575,878	$ 1,978,599
Grazing leases	1,609,414	1,370,468
Cultivation leases	443,944	445,370
Community pastures	342,236	399,252
Other	817,304	404,643
	$ 5,788,776	$ 4,598,332

Note 10 Other Revenue

	2001	2000
Proceeds on sale of capital assets	$ 633,031	$ 340,313
License, permits, assignments and application fees	496,597	267,146
Municipal services cost recovery	374,850	217,816
Oil well drilling taxes	122,752	144,199
Sale of sand and gravel	91,192	693,992
Miscellaneous	347,099	333,047
	$ 2,065,521	$ 1,996,513

Note 11 Total Expenditure

Total expenditure for the year is analyzed by object of expenditure as follows:

	2001	2000
Contract and general services	$ 5,870,331	$ 10,909,562
Manpower, (Schedule 2)	6,993,702	6,990,844
Materials, goods, and utilities	5,125,152	4,906,220
Physical assets acquired - capital assets purchases	2,842,970	2,636,516
Grants	720,694	584,538
Goods and services from Alberta government departments		
Alberta Revenue		
Risk management	168,142	188,517
Investment fees	12,413	13,582
Alberta Municipal Affairs		
Linear assessment	144,138	59,590
Alberta Registries	15,447	13,789
Other departments	1,024	1,733
Provision for doubtful accounts	60,747	147,745
Industrial tax transfers	99,090	107,325
	$ 22,053,850	$ 26,559,961

Note 12 Pension Plan

The Special Areas Board participates with other employers in the Public Service Pension Plan ("PSPP") and the Management Employees Pension Plan ("MEPP"). These plans provide pensions for the board's employees based on years of service and earnings. Total current contributions by the board in 2001 to the PSPP were $156,002 (2000 - $152,809) and to the MEPP were $67,820 (2000 - $60,310). Based on the latest unaudited information available, the Management Employees Pension Plan and the Public Service Pension Plan have surpluses as at December 31, 2001.

Note 13 Related Parties

Expenditures for goods and services provided by the province and billed to the trust account are disclosed in Note 11. Grants provided by the province are disclosed in Note 8 and the amounts outstanding at the end of the year are disclosed in Note 5. During 2001, the trust account received funds as agent for the Department of Environment amounting to $175,197, all of which is included as due to the department at the end of the year.

Note 14 Tax Recovery Land Sales Reserve

Transfers to tax recovery land sale reserve have been determined as follows:

Phase I and II relate to proceeds from sales under the 1981 and 1988 tax recovery land sales policies respectively. Phase I excludes interest revenue and has not been earmarked for specific expenditures. Phase II includes interest earned under agreements for sale and investment interest earned on Phase II funds and is earmarked for future capital projects as authorized by the Minister of Municipal Affairs.

	Phase I	Phase II	Total
Land sales	$ 9,479	$ 247,680	$ 257,159
Interest	-	365,374	365,374
	$ 9,479	$ 613,054	$ 622,533

Note 15 Lease Commitments

The Special Areas Board has entered into five long-term operating leases for equipment. The future lease payments are as follows:

2002	$ 510,776
2003	510,776
2004	510,776
2005	325,152
2006	-
	$ 1,857,480

Note 16 Budget

The 2001 municipal budget was adopted by the Special Areas Board and approved by the Minister of Municipal Affairs in January 2001.

Note 17 Comparative Figures

Certain 2000 figures have been reclassified to conform to 2001 presentation

Note 18 Approval of Financial Statements

These financial statements have been approved by the board.

Schedule 1

Schedule of Investments – Special Areas Trust Account

As at December 31, 2001	2001						2000
	Stated Interest Rate	Effective Interest Rate	Maturity Date	Par Value	Fair Value	Book Value	Book Value
Bonds:							
Bank of Montreal	10.25%	6.38%	May 1, 2002	$ 500,000	$ 513,300	$ 505,880	$ 523,618
Equitable Trust - mortgage-backed security	5.00%	5.69%	November 1, 2004	1,784,064	1,818,479	1,754,759	1,800,928
Government of Canada	5.75%	5.03%	September 1, 2006	900,000	942,075	926,168	-
Government of Canada	5.57%	6.30%	May 24, 2001	-	-	-	488,308
Government of Canada	5.25%	5.37%	December 1, 2001	-	-	-	1,498,373
Government of Canada	6.00%	5.92%	June 1, 2011	600,000	628,230	603,311	-
Government of Canada	7.25%	5.04%	June 1, 2007	1,280,000	1,425,024	1,412,554	-
Government of Canada	8.75%	5.22%	December 1, 2005	1,555,000	1,799,182	1,743,277	-
Government of Canada	5.50%	5.37%	September 1, 2002	2,070,000	2,117,610	2,071,531	2,654,890
Government of Canada	5.25%	5.77%	September 1, 2003	2,350,000	2,438,031	2,330,305	3,650,407
Government of Canada	6.50%	5.85%	June 1, 2004	700,000	747,327	709,813	713,869
Government of Canada	5.00%	6.11%	September 1, 2004	900,000	927,882	876,916	868,275
Government of Canada	5.50%	5.53%	June 1, 2009	1,500,000	1,526,340	1,497,350	1,496,993
Province of British Columbia	8.00%	4.60%	August 23, 2005	300,000	335,814	333,908	-
Province of Manitoba	9.75%	9.34%	September 3, 2002	1,000,000	1,049,800	1,000,000	1,000,000
Province of Manitoba	6.25%	3.95%	June 22, 2005	1,000,000	1,063,650	1,073,751	-
Province of New Brunswick	9.13%	6.15%	April 1, 2002	400,000	407,044	402,781	827,866
Province of Newfoundland	9.55%	4.10%	August 5, 2004	320,000	365,542	362,652	-
Province of Ontario	9.75%	6.11%	October 29, 2001	-	-	-	1,027,788
Province of Ontario	8.00%	5.49%	March 11, 2003	1,500,000	1,595,190	1,540,110	1,573,766
Province of Quebec	5.57%	5.96%	September 7, 2001	-	-	-	384,588
Regional Municipality of York	6.75%	5.58%	November 5, 2003	778,000	833,238	792,731	800,708
Royal Bank of Canada	6.05%	4.18%	July7, 2009	500,000	525,720	522,428	-
				19,937,064	21,059,478	20,460,225	19,310,377
Alberta Municipal Financing Corporation shares				-	150	150	150
Agricore United				-	71,262	87,890	-
				$ 19,937,064	$ 21,130,890	$ 20,548,265	$ 19,310,527

Schedule of Salaries and Benefits – Special Areas Trust Account

For the year ended December 31, 2001

	2001				2000	
	Number of Individuals(a)	Salary (b)	Benefits & Allowances (c)	Total	Number of Individuals	Total
Chairman of the Special Areas Board	1	$ 97,873	$ 16,134	$ 114,007	1	$ 108,132
Special Areas Board members	2	5,800	-	5,800	2	6,700
Director of Finance and Administration	1	75,725	13,268	88,993	1	87,873
Director of Municipal Services	1	75,058	13,063	88,121	1	86,987
Director of Properties Administration	1	70,761	12,977	83,738	1	80,851
Roads & Equipment Superintendent	1	61,389	11,643	73,032	1	70,277
Managers (Note d)	3	169,275	32,227	201,502	2.8	181,698
Other full-time staff (Note e)	79.4	3,434,176	573,196	4,007,372	82.8	3,961,889
Part-time and casual wage staff		2,026,693	273,516	2,300,209		2,315,859
Other boards and committees		25,638	-	25,638		22,250
Advisory councillors	13	19,680	-	19,680	13	14,880
Increase (decrease) in vacation accrual		(14,390)	-	(14,390)		53,448
		$ 6,047,678	$ 946,024	$ 6,993,702		$ 6,990,844

(a) Number of individuals consists of full-time equivalents, except for Special Areas Board members and advisory councillors.

(b) Salary includes regular base pay, overtime, vacation payouts, honoraria and any other direct cash remuneration.

(c) Employer's share of all employee benefits and contributions or payments made on behalf of employees including Workers' Compensation Board, Canada Pension Plan, employment insurance, camp allowances, pension, health care, dental coverage, out-of-country medical benefits, membership fees, group life insurance, accidental death and dismemberment insurance and long-term disability plan.

(d) Average salary is $56,425 and average benefits are $10,742 totaling $67,167. (2000 - $64,893).

(e) Average salary is $43,241 and average benefits are $7,217, totaling $50,458. (2000 - $48,912).

Alphabetical List of Entities' Financial Statements in Ministry 2001-02 Annual Reports

Entities included in the consolidated government reporting entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Finance
Alberta Municipal Financing Corporation	Finance
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Awasak Child and Family Services Authority	
Calgary Rocky View Child and Family Services Authority	
Child and Family Services Authority Region 13	
Child and Family Services Authority Region 14	
Diamond Willow Child and Family Services Authority	
Hearthstone Child and Family Services Authority	
Keystone Child and Family Services Authority	
Ma' Mowe Capital Region Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Neegan Awas'sak Child and Family Services Authority	
Ribstone Child and Family Services Authority	
Sakaigun Asky Child and Family Services Authority	
Sakaw-Askiy Child and Family Services Authority	
Silver Birch Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Sun Country Child and Family Services Authority	
West Yellowhead Child and Family Services Authority	
Windsong Child and Family Services Authority	

Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCore Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[1]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[1]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[1]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[1]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards	Community Development
Calgary Community Board	Community Development
Central Community Board	Community Development
Edmonton Community Board	Community Development
Northeast Community Board	Community Development
Northwest Community Board	Community Development

South Community Board	Community Development
Persons with Developmental Disabilities Foundation[2]	Community Development
Persons with Developmental Disabilities Michener Centre Facility Board	Community Development
Persons with Developmental Disabilities Provincial Board	Community Development
Provincial Judges and Masters in Chambers Reserve Fund	Finance
S C Financial Ltd.	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

[1]Ministry includes only the department so separate department financial statements are not necessary.
[2]Dissolved June 2001

Entities NOT included in the consolidated government reporting entity

Ministry, Department, Fund or Agency	Ministry Annual Report
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account, The	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Universities Academic Pension Plan	Finance
Workers' Compensation Board	Human Resources and Employment

Note to Readers:

Copies of the annual report are available on the Alberta Municipal Affairs web site or by contacting:

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